The Importance of Internal Audit Professionalism for the Quality of Healthcare Services: Challenges of Applying Global Standards in Lithuania

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Introduction

The efficiency of the healthcare sector and the quality of services are increasingly linked to the introduction of advanced management, risk management and control models, drawing on good practices from other sectors(1,2). International practice shows that many developed sectors have already embraced such innovations, and healthcare is still lagging behind in this regard(2). Internal audit, as one of the essential elements of an organization's management, can become a driver of innovation in healthcare institutions, if it is carried out in accordance with the most advanced standards. The International Professional Practices Framework (IPPF), developed by The Institute of Internal Auditors (IIA), developed by The Institute of Internal Auditors (IIA), is a global set of standards for the quality and professionalism of internal auditing, including the Code of Ethics, the Audit Definition, the Guiding Principles and the International Standards for Internal Auditing. The IPPF is internationally recognised and is even identified in Lithuanian legislation as a benchmark of good practice for public sector audits(3). In 2024, the IIA updated the IPPF by issuing the *Global Internal Audit Standards (2024*), hereinafter referred to as the Standards. The Standards aim to simplify the structure of the document, strengthen the focus of internal audit on value creation and adapt the standards to modern risks and the global public sector context.

However, a problematic situation has arisen in Lithuania – sectoral healthcare regulation sets requirements that can hinder these management innovations. By order of the Minister of Health of the Republic of Lithuania, it is established that the head of the internal audit (so-called "internal medical audit") unit in a healthcare institution must have a medical or other education in health sciences(4,5). Such a requirement means that preference is given to a specialist in the field (medicine) over an audit professional. This clearly conflicts with the principles of professionalism, objectivity

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and competence of internal audit emphasized in the Standards, which are not related to education in a specific field.

Problematic question: how to reconcile the Lithuanian national regulation of the health sector (which requires medical education for the head of internal audit) with the standards set by the IIA, which emphasize that the value of internal audit comes from audit professionalism, independence and universal competence?

Keywords: Internal audit to ensure the quality of healthcare; application of Global Internal Audit Standards (2024) in the health system; Quality management of healthcare services; Audit professionalism; Organizational resilience in the health sector.

Analysis of IPPF standards: the imperative of professionalism

Basic principles. The new 2024 version of the IPPF sets out 15 principles that define effective internal audit(6). The previous requirements marked by separate norms (e.g. 1100 – Independence and objectivity, 1200 – Professionalism and due diligence, 2000 – Management of internal audit activities) are now expressed through principles and standards detailing them. *Integrity, Objectivity, Competency, and Due Professional Care* – these ethical and professional imperatives have become the first five principles that essentially translate the provisions of the IIA Code of Ethics into the framework of the standards(6). For example, **Principle 2 (Objectivity)** states that 'internal auditors shall maintain an impartial and objective approach in the performance of services and decision-making'. Accordingly, Standard 2.1 requires auditors to maintain professional objectivity in all aspects of audit work, while Standard 2.2 specifies that auditors must avoid conflicts of interest, must not succumb to any undue influence (neither from management, nor from the professional or political environment), and must recognize and manage any restrictions on objectivity. In addition, auditors are prohibited from accepting gifts or services that may give the impression of bias. These requirements are in line with the former provisions of IPPF 1120 and 1130, but are expressed more clearly and strictly, emphasizing both personal and functional objectivity(6,7).

Equally important **is Principle 7 (Independence),** which replaces the old 1100 standard. According to it, the Board (collegial management (advisory) bodies of a healthcare (HC) institution or the founder) must ensure and protect the independence of the internal audit function and the necessary qualifications(7).

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Standard 7.1 requires the Chief Internal Auditor (CIA) to clearly define the subordination and accountability of the audit function to the Board in the Internal Audit Standards(7). This means that the internal audit must be directly subordinate to the highest governing body (and not just the executive) in order to carry out its mission without hindrance. **The wording of Principle 7** states: *"The internal audit function can only achieve the objective of internal audit when the head of internal audit reports directly to the board, is qualified and occupies a position within the organisation that allows the internal audit function to provide its services and duties without hindrance."*(8). Thus, the new standards strengthen the role of the Board, which must not only formally approve the Audit Regulations, but also defend the independence of the audit, intervene if the duties or responsibilities of the Head of the Internal Audit Service give rise to conflicts of interest, and protect the audit from undue interference in the scope of its work(7).

Competence and due diligence. The 1200 series of IPPF 2017 standards (1210 – Competence, 1220 – Due Diligence) are now reflected **in Principles 3 and 4**. **Principle 3 (Competence)** states that internal auditors must possess and develop the knowledge, skills and abilities necessary to perform their duties. Standard 3.1 specifies: *"internal auditors must possess or acquire the competencies necessary for the successful performance of their responsibilities",* including the necessary knowledge and skills according to the position held. This is a direct reference to the need for continuous upskilling (formerly the 1230 standard on upskilling). **Principle 4 (Due Diligence)** requires auditors to exercise professional diligence in the planning and execution of audit work. Due diligence is defined as the level of effort, prudence, and scepticism that could reasonably be expected from a prudent and competent auditor. Standard 4.2 specifies that auditors must take into account the complexity, materiality and significance of the audited risks, the adequacy of the organisation's management and control, the likelihood of material errors or fraud, and the cost-benefit ratio of audit procedures. In other words, auditors need to balance resources and efforts with the potential impact of audits, recognising that even with due diligence, it is not possible to guarantee that all material deficiencies will be detected(7,8). These provisions promote a risk-based approach, with auditors having to focus on the areas of greatest risk, particularly relevant in the healthcare sector (e.g. patients' rights and safety, financial management, compliance with the legal regulatory field).

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Management of internal audit activities. The previous **2000 standard** required CIA to effectively manage internal audit activities, ensuring value creation for the organization. According to the new structure, this is developed **in Domain IV** *"Managing the Internal Audit Function"* with several principles. **Principles 9 (Strategic Planning)** and **10 (Resource Management)** define that the CIA must develop and implement an internal audit strategy aligned with the organisation's objectives and provide adequate resources to implement this strategy(9,10). For example, the new Standard 9.2 provides: *'the Chief Auditor shall develop and implement a strategy to achieve the strategic objectives of the organisation'(11).* This reinforces the responsibility of internal audit to be not only a control mechanism, but also a business partner, providing insights for the future ('*proactive and forward-looking'* audit in the context of the IIA Guiding Principles) (7). **Principle 10** requires efficient management of resources: CIA must ensure that the audit function has sufficient appropriately qualified staff, budget, and technology. The standards specify that the CIA must take care of the team's set of competencies (recruitment, training, retention of talent) and regularly assess whether appropriate audit methodologies and technologies are used (7,11). In the field of healthcare, this may mean that the internal audit should have specialists who know the specifics of health services, the risks of IT systems (e.g. e-health, patient data protection), etc., or use external experts if necessary.

The Quality Assurance Programme and Improvement (QAIP) has also been integrated into the standards . *QAIP*). **Principle 12 (Quality Improvement)** provides that the CIA is responsible for continuously monitoring and improving the quality of the audit function(12). In other words, internal audit activities must have an internal and external evaluation system that meets the requirements of the previous 1300 standard in order to continuously improve the quality of audit performance and ensure compliance with standards. This is particularly important for the professionalism of audits in the public sector – regular quality reviews (including external evaluations) increase confidence that audits are functioning effectively and comply with professional standards.

Emphasis on the public sector. It should be noted that in 2024, a specific chapter on application in the public sector has appeared in the Standards(13). It recognises that public sector organisations, such as those financed by the Compulsory Health Insurance Fund, have certain peculiarities – political context, public accountability, abundance of legislation – and therefore provides guidelines on how to

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ensure compliance with standards in such circumstances. This sends a message that the principles of the Standards are universal, but their implementation can be flexibly adapted to the environment of the organization. For Lithuanian healthcare institutions, which are often budgetary or public institutions, this adaptation is particularly important.

In summary, the new Standards strengthen the role of internal audit as **an independent, objective, competent and strategically oriented** field of activity for healthcare institutions. Next, we will discuss how the implementation of these principles looks like in the legal and institutional framework of Lithuania and what practical problems are encountered.

In summary, the Standards clearly outline that **the professionalism, independence and competence of internal audit are necessary in all areas equally**. The qualification of the audit manager must be based on professional audit skills and not on expertise in a specific field. This approach is based on the assumption that internal audit is a universal management function, the methods of which are applied in any organization to objectively evaluate and improve its performance. Therefore, any sectoral restriction (e.g. the requirement of a certain level of education) should be critically assessed, as it may reduce the effectiveness of the audit function and run counter to international standards.

Cross-Analysis of the Legal Framework of Lithuania

To assess the managerial and legal context of the issue under consideration, it is necessary to look at two levels: the general regulation of internal audit of the public sector in Lithuania and the special regulation of the healthcare sector. This cross-examination will show that there is a certain contradiction between the general principles enshrined in the higher legal acts and the specific requirement set out in the order of the Minister of the Ministry of Health (MoH).

Law on Internal Control and Internal Audit of the Republic of Lithuania. This law, adopted in 2002, lays down the basic principles of internal audit activities in the public sector. It is important to note that the wording of the law and its explanatory documents focus on the implementation of international auditing standards. The Ministry of Finance (MoF), which is responsible for policy-making in this area, makes it clear that **the aim of the law is to align public sector internal auditing with international good practices, including IPPF standards(3).** To quote the FM's

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explanation: *"The purpose of the law is ... fix... legal framework for internal audit in line with internationally recognised good practices (<... > International Standards of Professional Practice in Internal Auditing)'*(3). This means that the Lithuanian legislator recognises the importance of the Standards and seeks to ensure that public sector audits comply with the standards set by the IIA. Although the text of the law itself may not directly mention specific points of the Standards, its spirit is to create conditions for professional, independent, objective auditing, as provided for in the Standards. For example, the law consolidates the organisational subordination and functional independence of internal audit services, the duty of internal auditors to constantly improve their qualifications, as well as provides for external assessment of the quality of internal audit every 5 years(3). All of this is in line with the requirements of the IPPF on independence and on quality assurance programmes. Most importantly, the law **does not contain any provisions restricting the selection of internal auditors or audit managers according to specific subject-specific education**. Instead, competence and impeccable reputation are emphasized. Article 9 (wordings and amendments) of the Internal Auditor defines the qualification requirements of an internal auditor related to knowledge, abilities and independence, but not to a specific field of study (requirements such as the relevant level of education – higher education – are general, but specialisation is not restricted). Thus, national regulation **at the level of the law** is not in conflict with the provisions of the Standards, but on the contrary, it declares an intention to comply with those standards.

Order of the Minister of Health on internal (medical) audit. The problematic provision lies in the lower legal act – the order of the Minister of Health, which regulates the quality system of personal healthcare institutions and the so-called *local medical audit carried out* therein. It concerns **the Order of the Minister of Health No. V-338 "On the Approval of the Description of the Minimum Quality Requirements for Personal Healthcare Services" of 29 April 2008** (as subsequently amended). The description of requirements set out in the Annex to this Order provides that each personal healthcare institution must organise *an internal medical audit*, i.e. activities aimed at the assessment and improvement of the quality of personal healthcare services(4). This activity mainly performs part of the internal control function, but focuses more on the compliance of medical services with the established quality requirements. **The essential point** is the requirements for the head of the internal medical audit team (unit). By Order No. V-1296 of 15 November 2019, a new wording

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of the said description was approved, which clarified the qualification requirements for auditors(15). According to the current wording, the **Chief of the Internal Medical Audit Unit** (CIMA) must have: (a) at least two years of experience in the field of healthcare, (b) a university degree in the field of health sciences (a master's degree in medicine, dentistry, public health, rehabilitation, pharmacy or nursing) and (c) a minimum of 48 hours of internal medical audit training(4). These requirements are to be quoted verbatim: *"to have a higher university (<... >) education in medicine, dentistry, public health, rehabilitation, pharmacy and nursing of the group of studies in the field of health sciences(5)".* There is also a requirement for continuous qualification improvement – at least 24 hours of training events in the fields of medical audit or healthcare management over a period of 5 years(15).

It should be noted that this order of the Minister formed **a kind of internal audit in the public sector**: general (financial, management audit in accordance with the procedure established by the Ministry of Finance) and special "medical" audit in accordance with the procedure of the Ministry of Health. The latter is more focused on checking the quality of health services in medical aspects. However, although the objectives may differ slightly, **functionally they are internal audit activities**, as they include the systematic evaluation of the institution's performance, the provision of recommendations, "the evaluation and improvement of the institution's performance and the quality of personal health services, including organizational processes directly related to and directly influencing the execution of clinical processes", etc. Such functional activities, in accordance with Lithuanian laws, should comply with the general principles of internal audit.

Cross-analysis: evaluation of the hierarchy of norms and contradictions. In the Lithuanian legal system, the norms of the law take precedence over the norms of the ministerial order. In the case at hand, the law declares compliance with international standards and orientation towards professional auditing, while the Minister's order seems **to introduce an additional criterion that is not provided for in the law and may even contradict it according to its purpose**. Is such a contradiction formal or only at the level of "spirits"? From a formal point of view, there may not be a direct conflict between legal norms – the law does not say that a medical diploma cannot be required, and the Minister's order regulates a specific area in more detail. However, **a fundamental normative contradiction becomes evident**: the Law on Internal Control and Internal Audit of the Republic of Lithuania seeks to

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strengthen the professionalism of the audit function, and the order of the Minister of Health de-professionalizes the position of the head of audit, turning it into a sector-specific (medical) role. This challenges the general principle of professionalism in public sector auditing. **From the point of view of the application of audit principles**, the provision of the Order of the Minister of Health compromises the independence of the audit – the head of the internal audit, who comes from the medical staff, may be more inclined to identify with the audited entities (doctors, nurses) than to critically evaluate their activities. In addition, such a manager may lack a broader vision of governance risks – he or she may be an excellent doctor, but may not have the necessary understanding of, for example, the audit methodology of the institution's financial, IT or general management processes. This conflicts with the aim declared by the law to have effective internal control and audit. It is not for **nothing that as many as 68% of European countries** directly include in their legislation references to follow the International Standards on Internal Auditing(16) in order to avoid deviations of this kind. In Lithuania, it has also been considered to directly legalise the application of the IPPF in the public sector, as the current methodology is considered redundant and oriented towards a bureaucratic process that does not ensure quality(16). Although such an amendment (to include the mandatory application of International Standards in the law) was not finally approved by the Seimas Audit Committee in 2019, the discussion revealed that **the lack of a professional, independent and objective audit function** weakens the governance of the public sector(16).

It can be said that the requirement for medical education set by the Ministry of Health not only **contradicts the principles of the Standards** but is also **not fully aligned with the general audit policy of the Lithuanian public sector**. It seems to effectively exclude the healthcare sector from professional internal auditing, risking that the auditors operating there (called medical auditors) will be isolated from the general audit professional community because they will not meet the qualification criteria to participate, for example, in the training or certification of state internal auditors organized by the FoM or the Association of Internal Auditors. This creates **a risk of professional isolation**, which not only reduces the value and efficiency of the audit function in healthcare institutions, but also leads to irrational use of the extremely lacking competencies of clinical staff.

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In summary, the legal analysis shows: Lithuanian laws recognize the Standards and seek professional auditing in the public sector; however, the sub statutory regulation of the health sector creates an exception that threatens the principle of audit professionalism. Further, it will be examined how a similar situation is solved in another sector requiring specific knowledge – information technology (IT) audits, to justify possible solutions for the health sector.

Case study: analogy with the IT sector

Internal audit in the field of information technology is a good analogy that helps to illustrate why the audit manager does not need a narrow technical (or subject-related) education, but more important is the professional qualification of the audit. The IT field, like healthcare, is characterized by great complexity, specific knowledge (programming, cyber security, databases, etc.), so the question could arise: *does the head of internal IT audit have to be a specialist in computer science or computer science, a programmer?*

Practice shows that **no**. An internationally recognized practice is that the IT audit function is headed by an internal audit professional with specialized knowledge of IT risks, but not necessarily a formal diploma in IT sciences. Often, such managers have professional certificates, for example, CISA *(CISA). Certified Information Systems Auditor)* issued by the ISACA organization. The CISA certificate confirms that a person understands the principles of IT management and control, information systems audit methodology, risk assessment – in essence, that he is **an IT audit professional**. It should be noted that CISA certification does not require a degree in computer science – the candidate can come from auditing, finance or other fields, but must learn specific knowledge of IT auditing. This corresponds to the provision of the Standards that the auditor must acquire the necessary knowledge for a specific task.

In organizations, the Head of Internal Audit responsible for IT usually forms a team: IT specialists (e.g. cybersecurity experts, database administrators) may work alongside him as **subject matter experts**, but they are not internal auditors themselves. As the Audit Activity Reviews note, *'while internal auditors benefit from their knowledge of the audited areas, they do not need to be experts in those areas, but rather to be objective and strategically minded professionals(17)*'. For the sake of objectivity, it is common for **the audit department not to be delegated to the IT department itself**. If, for example, the company's chief IT specialist was to also lead

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the IT audit team, there would be a conflict of interest – he would audit the processes created and/or carried out by himself. Therefore, the audit function must be structurally separated from IT management, even if auditors work closely with IT experts.

An analogy in the health sector would be this: instead of requiring the **head of internal audit to be a doctor**, it makes more sense to ensure that he or she is a professional auditor who *uses expert doctors if necessary*. For example, during the audit of clinical processes of healthcare institutions, a consultant physician could participate in the audit team to help the auditor understand the medical aspects. However, the audit should be led by an audit specialist who can objectively assess whether the control system is working and whether the processes comply not only with medical protocols, but also with general criteria of efficiency and accountability. This ensures **the audit perspective becomes broader** – not limited to a collegial review of medical practice but also includes a comprehensive assessment of organisational performance.

The practice of applying global internal auditing standards in the field of information technology (IT) makes it clear that an internal audit manager does not need to be a technical expert – for example, a programmer or a systems engineer. In accordance with Principle 3 ('Competence'), it must ensure that the audit team has the necessary knowledge and skills or, where appropriate, involves the use of experts (Standard 3.1). The main responsibility of the audit manager is to clearly formulate the audit objectives (for example, to assess the reliability of IT systems, data protection or resource efficiency), and detailed technical analysis can be carried out by a specialist or expert. This division of labour helps to preserve the objectivity and independence of the audit: the IT expert provides the necessary insights, but strategic decisions on the scope of the audit and the formation of conclusions by an audit professional.

This approach is in line with Principle 2 ("Objectivity"), which requires auditors to maintain professional independence and not to enter situations that may affect the impartiality of their decisions (Standards 2.1; 2.3). It is also in line with Principle 7 ('Independence'), which stipulates that the Head of Internal Audit must be structurally independent and report directly to the organisation's board (Standard 7.1). If the audit manager is subordinate to the audited function or himself or herself comes from a professional group being audited (for example, there is a doctor), his objectivity may be compromised. Therefore, according to the requirements of the Standards, the Head of Audit must occupy a position in the organization that ensures the freedom to

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question the activities of all departments – including IT, medical or other areas – without conflict of interest or pressure (Standard 2.2; 7.2).

In the specific context of Lithuania, it can be noted that in many public sector institutions (non-health) **IT audits are carried out by the Internal Audit Division** or specialists of audit firms are hired, but there is no requirement that the audit department be headed by an IT engineer. In the same way, in the field of finance, the head of internal audit does not have to be an economist, although during the audit financial processes are checked; in the field of law – must not be a lawyer, although legal compliance is audited, etc. The same principle of internal audit is carried out everywhere: by audit professionals and, if necessary, by experts.

To sum up the analogy, IT audit practice confirms the Standards philosophy: **a subject matter expert should not lead an audit**, as this would threaten independence and may lead to a lack of a broad approach(17). The value of the internal audit function is increased when the audit manager is a versatile risk management specialist. The audit function can apply advanced audit methodologies, introduce an external, independent perspective, which is often lacking in closed professional systems. This is how healthcare institutions can integrate management innovations established in business sectors (such as performance audits, process optimisation, data-driven evaluation of decisions) – through **professional internal audit activities**, and not just through a medical auditor, who may be limited to checking compliance with clinical guidelines.

Discussion and suggestions

Summary of the analysis. After examining the Standards, the legal framework of Lithuania and the analogous situation in the IT sector, a key discrepancy became apparent: the requirement in the healthcare sector for the head of internal audit to have a medical education pushes this function into a narrow, sectoral niche, separated from the general principles of audit professionalism. Meanwhile, international standards and even general national legislation emphasize that **the value of internal audit comes from independence, objectivity and competencies, which require professional audit preparation** rather than a diploma in a specific field. This gap hinders management innovation in the health sector, as internal audit could potentially provide strategic insights, improve processes and implement good practices, but this is hampered by professional qualifications and possible bias.

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1. **Negative consequences of continuing the status quo.**

Risk of professional isolation: the so-called "medical auditors" act as a closed entity, not integrated into the national and international internal audit community. Due to the requirement to have a master's degree in health sciences (medicine, dentistry, public health, rehabilitation, pharmacy or nursing), they are often not guaranteed the prerequisites to pursue professional internal audit qualifications or to use the methodological resources and continuing education opportunities provided by the IIA. This gap limits their ability to apply advanced audit methodologies, improve their qualifications in line with the global requirements of the Standards and act as a fully-fledged audit function. In the long run, this can lead to the stagnation of internal audit practices in healthcare institutions, narrowing it down to a procedural clinical quality check without creating strategic value.

Decrease in the value of the audit function: If the internal audit is limited to medical quality checks, without assessing the broader risks (financial management, IT systems, the effectiveness of the organisational structure), the organisation loses the benefits that a comprehensive audit could bring.

Risk of loss of objectivity: As mentioned, when an auditor becomes "one of the doctors", there is a possibility of bias. This can be expressed in a reluctance to raise systemic problems more sharply (because it is like criticism of colleagues), or vice versa – too much involvement in the details of the operation, forgetting the bigger picture.

Reduced organizational resilience: in today's geopolitical, ecological, and public health environment (in the context of the One Health concept), healthcare institutions face complex risks – from cyber threats to supply chain disruptions, the impact of third parties on business continuity and climate-induced emergencies. In such environments, medical education alone no longer provides the ability to effectively identify and manage organizational, technological, reputational, and other risks. In contrast, an internal audit professional with a systematic understanding of risk management and competence to apply global audit methods can ensure that the organization is prepared for surprises.

Risk of inefficient allocation of scarce national resources: When clinically qualified doctors are appointed to internal audit duties, it means that their expertise is not being used where it creates the greatest value. Taking into account the shortage

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of doctors and burnout tendencies, such distribution of resources becomes a luxury that neither the health system nor the state budget can afford. The inclusion of an internal audit professional in medical audits would allow physicians to focus on clinical functions, thus increasing the efficiency and productivity of the health system.

These risks are also confirmed by international experience: **the most effective organizations have a professional, independent audit function**, which allows to identify and strengthen weak management links (16,17). These circumstances show that ignoring the professional content of the International Internal Auditing Standards not only reduces the benefits of the audit function but also creates systemic risks to the sustainability of the health system and national resilience.

2. Constructive suggestions for solving the problematic situation:

To review and harmonize the provisions of the Order of the Minister of Health No. V-338 of 29.04.2008 with Article 11 of the Law on Internal Control and Internal Audit (HICP), which provides that "the head of the Internal Audit Service must have an education in economics, law, business, management, finance, accounting or public administration and at least 2 years of audit or internal audit experience". The order of the Minister of Health currently in force, which provides for compulsory education in the field of health sciences and work experience for healthcare institutions, contradicts this requirement of the law, restricts the implementation of the principle of professionalism of internal audit and does not comply with the provisions of the Standards. The removal of these excessive sectoral restrictions would enable the internal audit units of the PHC to be managed by independent, competent and strategically oriented audit professionals.

To consolidate the requirement of professional audit qualification. To ensure competence, it is logical to require the **head of internal audit to have a recognised audit or risk management qualification or equivalent instead of a medical** diploma. Such a requirement would be directly in line with the spirit of the Standards, which encourages the auditor's competences to be based on formal professional qualifications(18). It is also possible to establish a transitional period during which medical auditors currently working could obtain the necessary certification (e.g., pass a qualification exam within 2-3 years, etc.). This would not lead to the loss of experience, but at the same time to raise the level of professionalism.

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Strengthen inter-institutional cooperation on audit issues through the special Competence Platform. To align the internal audit practices of the health sector with the requirements of the Global Internal Audit Standards, it is appropriate to strengthen the cooperation between the Ministry of Finance, the Association of Internal Auditors and the State Accreditation Service for Healthcare Activities under the MoH, using the latter's competence platform as a methodological basis. It would be appropriate to develop adapted guidelines or methodological recommendations in which the specifics of clinical activities would be combined with the principles of professionalism, independence and objectivity of auditing. This would allow to consolidate the understanding that the so-called "internal medical audit" must meet all the professional standards set for the internal audit function.

Internal audit should become an innovation partner and not just a control mechanism. Management innovations – such as integrated services, increasing patient value, digitalisation – require the evolution of the medical audit function(13). In Lithuanian healthcare institutions, this could take the form, for example, of audit participation in the planning of important reforms (e-health projects, transformations of clinical processes) in order to identify risks in advance and help to manage them. Such early involvement is an innovation in the public sector, where auditing is traditionally called "after the fact". By changing this paradigm, managers could benefit more and auditors could be more useful without losing their objectivity.

Cultural change: transparency, accountability and participation. The principles of internal audit professionalism must be integrated into the organisational culture, promoting transparency and openness and creating preconditions for organisational learning. Such a culture is essential for the preventive identification and management of systemic risks in the healthcare system, including psychological violence (mobbing), conflicts of interest and corruption, the early recognition of which is impossible without the trust of employees and a safe reporting environment. Internal audit, acting as an independent function that strengthens trust and accountability, can contribute to the creation of such an environment, promote ethical behaviour and transparent governance, while ensuring that the organisational changes initiated during the audit are visible and understandable to staff and, to the extent compatible with confidentiality requirements, to the public, thereby strengthening patients' trust in the system and the long-term resilience of the organisation. For example, if audits have improved service delivery arrangements, it is worth making this public to patients,

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demonstrating that their complaints have been responded to and concrete action taken(13). This will increase both patients' trust in the system and employees' pride in their organization.

By implementing these proposals, the essential goal would be achieved – **the internal audit in healthcare institutions would become an integral part of professional management**, rather than isolated, purely medical activities. This would create preconditions for better risk management, efficiency of processes and improvement of the quality of services by integrating innovations that have proven themselves elsewhere.

Conclusions

The case of the Lithuanian healthcare sector reveals a more general principle: the value of the internal audit function does not depend on the knowledge of the content of the audited area, but on compliance with audit professionalism. Global Internal Audit Standards – independence, objectivity, competence, resource management – are **essential factors** in ensuring the quality and benefits of internal audit for any organization. Personal healthcare institutions are no exception. Compliance with these standards allows internal audits to act as a catalyst for change, implement good governance practices and strengthen the organization's resilience to risks(16).

The current requirement for the head of internal audit in health institutions to have a medical education contradicts both the spirit of the Standards and the general goal of the public sector audit policy – to strengthen audit professionalism. The article argued that **a high professional qualification of audit provides much greater value** in the management of healthcare institutions than a medical diploma alone. The head of internal audit, being an audit professional, is able to objectively and broadly assess all aspects of the institution's activities, to use experts in various fields without losing independence(13), and thus to create added value – to improve the efficiency of processes, quality control, and transparency of management. Meanwhile, sectoral constraints risk narrowing the audit function and making it less effective.

The future perspective is to align national regulation with international standards so that **the principles of standards become an integral part of internal audit activities in all areas, including the health system**. This would eliminate unnecessary conflict and allow healthcare institutions to fully reap the benefits of

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professional internal audit to achieve their mission of providing quality, safe and efficient services to the public.

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