

Risk Management

Department of Administrative Services (DAS)

LBA Audit – Correction Action Plan

30 Day Status Report: May 1, 2015

Completion Status

- Open** ●
- Partial** ●●
- Substantial** ●●●
- Full** ●●●●

#	Observation Title	Recommendation	Action Item	Due Date	Completion Status	Comments
1	Formal Risk Assessment	Establish a formal risk assessment process, supported by policies and procedures, for recognizing and responding to risks potentially affecting the RMU's operations.	Commenced project planning.	Ongoing	●	Subject to limited staff and other resources.
2	Controls Over Enrollment Data	Perform periodic reconciliations between the enrollment data repository (NHFIRST) and information used by the benefit vendors to pay claims to ensure the vendors are only processing claims and collecting administrative fees for appropriate enrollees.	Working with DAS internal units to prioritize NHFIRST changes.	Ongoing	●	Subject to limited staff and other resources.
		Implement a secondary system review control for all changes made to plan enrollments to ensure changes are made accurately and appropriately and control procedures are documented.	On 4/23/15, Dependent Eligibility Verification Process commenced to ensure only eligible dependents are on health benefit plan (HBP)	Ongoing	●●●	
		Limit the number of individuals authorized to make enrollment changes to the health benefit plan. All authorized individuals should be appropriately trained. Conduct periodic review of authorized access.	° HR training completed ° Pending HR payroll consolidation to identify other controls.	Ongoing	●●	
3	Service Organization Control Reports (SOC-1 Reports)	Expand documented review of each SOC-1 Reports to understand the scope and effectiveness of controls over outsourced operations.	Vendor SOC-1 reviews and development of complementary control matrixes underway.	Ongoing	●●	Subject to limited staff and other resources.
4	Controls Over Revenue	Establish policies and procedures to ensure revenues are complete and accurately collected, reported and recorded.	HBP revenue sources reconciled monthly.	Ongoing	●●	Subject to limited staff and other resources.
		Establish review and approval controls that verify the completeness and accuracy of revenues. Reconcile NHRS subsidy revenue for accuracy.	Quarter to quarter comparisons completed. Monthly review of NHRS subsidy revenue conducted.	Ongoing	●●●	

5	Revenue Reconciliation	Develop policies and procedures for the timely follow up and resolution of significant variances identified by control activities.	<ul style="list-style-type: none"> ° Process developed to reconcile employee payroll deductions. ° Policies and procedures to be developed. 	Ongoing	●●	Subject to limited staff and other resources.
6	Health Benefit Policies and Procedures	Establish policies and procedures for all significant aspects of the health benefit plan.	<ul style="list-style-type: none"> ° Processes in place to administer HBP. ° Policies and procedures to be developed. 	Ongoing	●●	Subject to limited staff and other resources.
7	Health Benefit Book	Publish all health benefit booklets in a timely manner.	<ul style="list-style-type: none"> ° Vendor project plans include timely publication of benefit books. ° Summary plan descriptions and “Benefits 101” presentation are available online. 	Ongoing	●●●	Subject to limited staff and other resources.
8	Working Rates	Implement evidenced review and approval control over the acceptance of actuarially determined working rates.	<ul style="list-style-type: none"> ° Work plan to include documentation of working rate approval underway. ° Evidenced working rate review conducted annually 	Ongoing	●●●	Subject to limited staff and other resources.
9	Accounts Receivable Policies and Procedures	Develop policies and procedures for accounting and reporting accounts receivable to provide guidance for consistent reporting.	<ul style="list-style-type: none"> ° Processes in place to document accounts receivable. ° Policies and procedures to be developed. 	Ongoing	●●	Subject to limited staff and other resources.
10	Financial Activity in The Appropriate Fund	Work with DAS, State agency, and the Legislature to develop policies and procedures for accurate financial reporting for the General Fund.	Work plan to be developed.	Ongoing	●	Subject to limited staff and other resources.
11	Transfer of Payroll Costs Policies and Procedures	Establish policies and procedures for timely payroll transfers, as directed by Chapter 1:9.	<ul style="list-style-type: none"> ° Processes in place to conduct timely payroll transfer. ° Policies and procedures to be developed. 	Ongoing	●●	Subject to limited staff and other resources.
12	Workers’ Compensation to Internal Service Fund	Review the policies and procedures for posting workers’ compensation revenues to the Internal Service Fund. Ensure revenues continue to be posted timely.	<ul style="list-style-type: none"> ° DAS manual addresses posting workers’ compensation revenues. ° Timely posting of revenue occurs now that office is fully staffed. 	Ongoing	●●●●	
13	Changes to Collective Bargaining Agreement	Put changes to the CBA in writing with the agreement to the changes by Labor and Management.	DAS will work with the unions to put all CBA changes in writing.	Ongoing	●●●●	
14	Required Reporting	Submit timely reports of the self-funded Health Benefit program to the Fiscal Committee every 60 days, as required by Chapter 319:32.	Timely reports will be filed.	Ongoing	●●●●	Subject to limited staff and other resources.
15	RSA 21-I Administrative Rules	Establish the administrative rules requires by RSA 21-I:14.	Policies and procedures to be developed.	Ongoing	●●	Subject to limited staff and other resources.