

<b>Agency Name</b>	Department Of Health & Human Svcs – NH Hospital
<b>Audit Name</b>	FINANCIAL AUDIT REPORT
<b>Audit Period</b>	NINE MONTHS ENDED MARCH 31, 2019
<b>Status Report Date</b>	04/01/2024

*NOTE: Observations and Recommendations have been abbreviated for purposes of this progress report.*

Summary of Audit Observations/Findings					
Number	Observation Title	Status [place X in status column]			
		Unresolved	Partially Resolved	Substantially Resolved	Fully Resolved
1	Formal Risk Assessment Policy & Procedures				X
2	Internal Audit Function should be Established				X
3	Patient Services Revenue Reconciliation Policies & Procedures				X
4	Policies & Procedures for Patient Billing & Collections should be established				X
5	Accounts Receivable Policies & Procedures should be improved				X
6	Accountability for Contract Provided Staffing should be Improved				X
7	Expenditures for Contract Provided Staffing Services should be limited to Hospital Operations				X
8	Ensure Cafeteria Employees comply with Cash Handling Policies and Improve Accountability				X
9	Formal Business Plan and Pricing Policy for Cafeteria Operations should be established			X	
10	Timekeeping Process should be improved and Redundancies Eliminated		X		
11	Leave Taken on Holidays Should be Properly Recorded				X
12	Weekend Pay Differential Should be Paid as Negotiated				X
13	Controls over Pharmacy Should be Improved				X
14	Controls Should Be Implemented to Review Worker's Compensation Billings				X

Number	Observation Title	Status <small>[place X in status column]</small>			
		Unresolved	Partially Resolved	Substantially Resolved	Fully Resolved
15	Hospital Security MOU and Invoicing Review Practices for Hospital Campus Security Should Be Updated and Documented		X		
16	User Access to Critical Information Systems Should be Limited and remain current.				X
17	Disaster Recovery Plan for Critical Information Systems Should be In Place				X

<https://sunspot.nh.gov/finance/documents/financial/Fixed%20Assets-Helpful-tips.pdf>

**Observation 1: Formal Risk Assessment Policies And Procedures Should Be Established**

Summary of Finding: The Hospital should establish a formal and documented risk assessment process for recognizing, evaluating, and responding to risks that could affect its ability to achieve its financial accounting and reporting objectives. The process should include an IT security risk assessment to ensure the Hospital's information systems are adequately protected. A continuous monitoring of Hospital processes and activities using a risk-based mindset will promote effective planning and assist in resource allocation decision-making.

**Current Status: Resolved.** The Formal Risk Assessment Policies and Procedures have been established. The procedure identifies twelve areas to be reviewed. The proposal is that each area review will take approximately two months on average thus completing the entire cycle will require two years. Some reviews will take more time than others and at times the amount of time dedicated to the process will be limited. The initial timeline is an approximation until one cycle has been completed.

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**Observation 9: Formal Business Plan And Pricing Policy For Cafeteria Operations Should Be Established**

Summary of Finding: The Hospital should establish a business plan for its cafeteria operations that describes the goals and objectives of offering cafeteria services and the plan for providing those services, including a determination of whether the cafeterias are to be self-funding or subsidized.

The Hospital should establish an accurate and timely management information system for its cafeteria operations, including cost reporting. The system should consider inputs such as food, labor, supplies, overhead, and other costs incurred in providing cafeteria services to employees and visitors, separately from its patient food-services costs.

The Hospital should establish formal pricing policies and procedures for its cafeteria services that consider all the costs of providing those services when setting prices. Prices should be regularly reviewed and updated as necessary.

**Current Status: Substantially Resolved.** Initial implementation of the Formal Business Plan and Pricing Policy for Cafeteria Operations was established several years ago. Since then, NHH has entered a contract with Netsmart/Computrition to provide a new food and nutrition POS, inventory, and patient meal services system. The POS system has been installed and is being used. The new system will allow better tracking of food items by quantity and price. The inventory and cost system are in the process of being implemented and should be completed by the end fiscal 2024. Once they are up and running and with the assistance of the Information Analyst, NHH should be able to develop reports from the new system that will provide accurate data upon which analysis may be performed to develop precise cost models and break-even analysis.

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**Observation 10: Timekeeping Process Should Be Improved And Redundancies Eliminated**

Summary of Finding: The Hospital should consider the feasibility of implementing an automated timekeeping system for direct care, food service and facilities employees that will automatically upload timekeeping information into TMS, similar to those used by other State agencies.

**Current Status: Partially resolved.** DAS is implementing a Work Force Management solution referred to as “CloudeSuite”. The identified solution upgrades continue to be developed with an implementation date to be determined. As previously noted, DHHS has been identified as one of the first agency that will roll-out this new solution.

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**Observation 15: Hospital Security Memorandum Of Understanding And Invoicing Review Practices For Hospital Campus Security Should Be Updated And Documented**

Summary of Finding: The Hospital should implement an effective review and approval control prior to payment of campus security invoices. The control should include a review of underlying supporting documentation for the cost incurred to ensure payment is based on the actual costs of providing services, not budgeted amounts. If the Hospital determines certain provisions of the MOU no longer meet its needs, revisions should be made accordingly and communicated to appropriate employees to ensure consistency in operation.

**Current Status: Partially resolved.** DHHS and DOS continue to collaborate on addressing staffing challenges however the need for security services continues to grow. Following a recent security event at NHH, the scope of services are being revisited and recrafted. Security planning for the Forensic units and other DHHS 24/7 facilities are being addressed as well. It is expected that an RFP for enhanced security services for NHH will be posted by DOS in fiscal year 2024. Further updates to the MOU have occurred since the recent security event of November 2023. Based on ongoing conversations and the introduction of the RFP, it is expected that an update MOU will be established within the next 6 months.

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