

Agency Name	Department Of Health & Human Svcs – NH Hospital
Audit Name	FINANCIAL AUDIT REPORT
Audit Period	NINE MONTHS ENDED MARCH 31, 2019
Status Report Date	10/01/2023

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

Summary of Audit Observations/Findings					
Number	Observation Title	Status <small>[place X in status column]</small>			
		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: Partially resolved. The request for a proposal to outsource the Risk Assessment was drafted but not issued. NHH decided to change directions and add the risk assessment responsibility to the newly created Deputy Chief Financial Officer position. The position was confirmed by Governor and Executive Council at the end of April 2023. Due to staffing shortages and training new employees there has not been enough time to begin the Risk Assessment project. Beginning in October, the Risk Assessment Policies and Procedures will begin to be developed. Program structure is expected to be in place by the beginning of the calendar year when task assessments can be reviewed and evaluated.

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: Partially resolved. As noted in the last audit status update, the hospital has created a system to account for cafeteria expenses separately from patient meal costs through enhanced job costing, which improves cost reporting of cafeteria's financial operations. In addition, a café breakeven analysis template was created to assist the program area in ensuring café pricing is keeping pace with the cost of supplies.

The Hospital is in the final stages of implementing an inventory management system which will allow for improved tracking and a more accurate system of identifying costs related to various aspect of the food & nutrition operations.

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. Department of Administrative Services (DAS) recently began scheduling meetings to plan for the statewide project to upgrade and modernize NH First referred to as CloudSuite. Information gathering sessions have been planned throughout October 2023. A roll-out date has not been determined as the scope of the project is still in development. The CloudSuite upgrade project includes a Workforce Management module that will include staff scheduling, time & attendance, absence management as well as other components. During FY23, NHH entered into negotiations with the current time scheduling vendor to enhance the scheduling component and add additional features. The negotiations did not result in a contract as the impact of the DAS CloudSuite upgrades may render some of the current vendor components unnecessary. The Department (DHHS) has been identified as one of the first agencies to roll out this new CloudSuite solution. As the project progresses NHH will be able to better determine the impact of the CloudSuite on time management and then revisit enhancements to the internal time management system to enhance the CloudSuite options.

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 have reached an agreement on an MOU for SOC Police Force. Due to the State's current staffing challenges, the MOU was not finalized as DOS felt that the MOU stipulations, although reasonable, could not be honored due to the lack of available staff. DOS is actively recruiting for the positions. The Department is currently exploring options related to the security force needed for NH Hospital and the soon to be constructed Forensic units.
