

<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>	10/01/2024

*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 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 a 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 into a contract with a third-party vendor to provide a new food and nutrition POS, inventory, and patient meal services system. The POS system and patient meal services systems have been installed and are 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 of calendar 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.

**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. In parallel, NHH is also working on an RFP outlining the diverse needs of a timekeeping system based on preliminary feedback that "CloudeSuite" may not fully meet the needs of scheduling in the NHH 24/7 setting given that we staff the units based on patient acuity. The intent is to fully determine if "CloudeSuite" is able to meet NHH scheduling needs, and if not, that we have an alternative appropriate option that can be pursued.

**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 High Security Unit and other DHHS 24/7 facilities are being addressed. Recently, DOS, in collaboration with DHHS posted an RFP for Security Guard staff at NHH. The RFP was scored and is now going through the contracting process with the winning bidder. 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 updated MOU will be established prior to the end of this calendar year. The addition of the security guard contract significantly changes the scope of the MOU. There are also ongoing conversations about DOS/SOCP support and oversight of the campus as well as conversations about “splitting up” the costs associated with campus coverage among the departments that reside on the SOPS campus.

---