

UNIVERSITY OF NEVADA, LAS VEGAS
STUDENT HEALTH CENTER
Internal Audit Report
July 1, 2013 through June 30, 2014

GENERAL OVERVIEW

The Student Health Center (SHC) at the University of Nevada, Las Vegas (UNLV) offers healthcare services to students, faculty, and staff. Admitted and enrolled students at UNLV are automatically assessed a health fee each semester. This fee covers office visits, access to health information, counseling and psychological services, and a variety of preventive care services. Other services such as lab work, supplies, and pharmaceuticals are also offered at a low cost. Faculty and staff have access to the same services and are required to make a \$20 co-pay for each office visit. Additional fees are assessed to employees based on medical services provided. The SHC is accredited by the Accreditation Association for Ambulatory Health Care (AAAHC) which is a reflection of their commitment to providing the highest levels of quality care.

The UNLV Student Health Center is a department within the UNLV Student Recreation and Wellness Center. The Director of the Student Health and Faculty and Staff Treatment Center (FAST) reports to the Associate Vice President for Student Wellness. The SHC has an annual operating budget of approximately \$5.2 million which includes support for other departments within the Student Wellness function. The SHC employs 18 full-time professional and classified staff, 10-15 part-time staff, and five student workers.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of SHC for the period of July 1, 2013 through June 30, 2014.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and included tests of the accounting records and other auditing procedures, as we considered necessary. The tests included, but were not necessarily limited to these areas.

1. Reviewing the licensing and credentialing of professional personnel, and licensing of the SHC as an organization.
2. Reviewing controls for managing the licensed laboratory and pharmacy.
3. Reviewing controls over medical supplies, medical waste, infectious disease and general facility security.
4. Reviewing controls in place over patient records and health information.
5. Reviewing controls for managing insurance billings and recharge activities.
6. Testing controls over the receipt and deposit of funds, including management of accounts receivable and change funds.
7. Reviewing the distribution of student health fees.
8. Verifying controls are in place for the electronic medical record software application system.
9. Testing expenditures for reasonableness, propriety, supporting documentation, proper approval and compliance with related policies.
10. Examining and testing equipment inventory, contracts, student timesheets and employee leave records for proper completion and administration.

In our opinion, we can be reasonably assured that the Student Health Center is operating in a satisfactory manner. However, implementation of the following recommendations would further improve operations.

SEGREGATION OF DUTIES – MEDICAL SUPPLIES

We noted controls were generally in place for the procurement, receipt, issuance, and tracking of medical supplies. However, we noted a control weakness related to segregation of duties when the physical inventory of medical supplies is performed. One employee was involved in obtaining, receiving, and recording medical supply balances into the inventory records, as well as participating in the year end physical inventory count of medical supplies.

We recommend employees with access to update the inventory records be independent of those employees who perform annual inventory counts of medical supplies.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? An employee from the SHC Business Office who does not have access to inventory records will be assigned to perform the inventory count. They will record the inventory and sign the count. They will also extend count sheets to an inventory valuation and compare it to the inventory records.**
- **How compliance and future good management and practice will be measured and assured. The valuation and comparison will be provided to the Director of the Business Office and the Health Center Director for final review and sign off. The SHC Business Director will review and approve all procedures related to inventory verification in addition to overseeing the process.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for this is assigned to the Business Office Director and the Student Health Center Director.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. This process will be implemented at the next inventory scheduled to occur at the end of FY15 and will occur on every inventory thereafter.**
- **How compliance and performance will be documented for future audit, management and performance review. Documents that support the inventory valuation process will contain signatures of the staff responsible for conducting and overseeing the process and will be retained in compliance with document retention policy.**

We respectfully request that this item be closed.

CASH CONTROLS

The SHC receives payments for medical services provided. During a review of the department's receipts, we noted checks received in the mail were not recorded on a department mail log or time and date stamped upon receipt. As a result, we were unable to determine whether the checks were submitted for deposit in a timely manner. We were able to confirm payments received from patients on-site were collected and deposited timely.

We recommend that checks received in the mail be recorded on a log or time and date stamped to provide support of their timely deposit.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? An employee in the Health Center Front Desk area where checks are received stamps the date received on a copy of every check. Copies of checks with the date received stamped on them are stored in the Health Center.**
- **How compliance and future good management and practice will be measured and assured. The Business Office Associate Director will update Business Office procedures and will train employees on the process. The Associate Director will conduct periodic documentation reviews to ensure compliance.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for this is assigned to the Business Office Associate Director.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The new procedure has been implemented and the Associate Director is monitoring the procedure closely to ensure compliance.**
- **How compliance and performance will be documented for future audit, management and performance review. All documents containing the date received are retained onsite within documentation retention policy for future audit or review.**

We respectfully request that this item be closed.

EXPENDITURES

We reviewed 43 expenditure transactions for proper supporting documentation, approval, propriety, reasonableness, and compliance with established purchasing procedures. Although our review noted no indication of impropriety for the transactions reviewed, we did note the following exceptions.

1. Two expenditures were approved by employees that did not have signature authority on the accounts charged.

We recommend expenditures be approved by authorized employees.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? A quarterly review of signature authority for all Student Wellness accounts is now completed by the Business Director.**
- **How compliance and future good management and practice will be measured and assured. A copy of the signature authority is provided to and reviewed with the Student Wellness Accounting Assistant so she can review signatures for appropriateness. The employee that signed the invoices incorrectly has been trained.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for this is assigned to the Business Office Director and the Student Health Center Director.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The review process is in place and will be conducted quarterly in the future.**
- **How compliance and performance will be documented for future audit, management and performance review. Proper signatures will be documented on all invoices. Issues that are discovered as a result of the internal review will be presented at Student Wellness department meetings to determine corrective actions.**

We respectfully request that this item be closed.

2. For three of 14 purchasing card transactions reviewed, the Statement of Account did not include a full one month billing cycle. In addition, one of the statements provided was a reprint since the original could not be located. The reprint did not include a supervisor's signature and date.
3. For three of 14 purchasing card transactions reviewed, the Statement of Account was not dated when signed.

For items two and three, we recommend the Statement of Account be generated for the full billing cycle and maintained in accordance with the UNLV Purchasing Card User Manual. We also recommend the statements include the date they were signed to provide support of timely review and approval.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? We are collecting and reviewing monthly procurement card statements centrally to ensure that they are generated for the full billing cycle and that they include the date signed and that they are signed timely. We are reviewing periodic samples of employee procurement card statements and supporting documentation to ensure that UNLV Purchasing Card User Manual policies and procedures are adhered to.**
- **How compliance and future good management and practice will be measured and assured. Results of the internal review will be shared with cardholders and supervisors to ensure that cardholders understand and follow the proper procedures.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for the training and review process is assigned to the Business Office Director. Accountability for the timeliness and accuracy of the time sheets is assigned to each cardholder's supervisor.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The review process is in place and will be conducted monthly in the future.**
- **How compliance and performance will be documented for future audit, management and performance review. Actions recommended to cardholders and supervisors based on the review will be retained internally for a year for training purposes and to ensure that cardholders do not repeat mistakes in following policy and procedure.**

We respectfully request that this item be closed.

4. For two of 14 purchasing card transactions reviewed, the Statement of Account was not signed within 10 business days after the last day of the monthly business cycle, as required by the UNLV Purchasing and Contracts Department.

We recommend the Statement of Account be signed in a timely manner.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? We are collecting and reviewing monthly procurement card statements centrally to ensure that they are generated for the full billing cycle and that they include the date signed and that they are signed timely. We are reviewing periodic samples of employee procurement card statements and supporting documentation to ensure that UNLV Purchasing Card User Manual policies and procedures are adhered to.**
- **How compliance and future good management and practice will be measured and assured. Results of the internal review will be shared with cardholders and supervisors to ensure that cardholders understand and follow the proper procedures.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for the training and review process is assigned to the Business Office Director. Accountability for the timeliness and accuracy of the time sheets is assigned to each cardholder's supervisor.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The review process is in place and will be conducted monthly in the future.**
- **How compliance and performance will be documented for future audit, management and performance review. Actions recommended to cardholders and supervisors based on the review will be retained internally for a year for training purposes and to ensure that cardholders do not repeat mistakes in following policy and procedure.**

We respectfully request that this item be closed.

STUDENT WORKERS

The timesheets of two student employees were reviewed for proper completion, accurate work hours, and compliance with student employment policies. During this review, the following exceptions were noted.

1. On seven occasions, work hours were calculated incorrectly on the timesheet.
2. On one occasion, the work hours reported did not agree with the number of hours that were recorded and paid in the payroll system. As a result, the employee was not paid for three work hours.

For items one and two, we recommend the department take greater care to ensure work hours are properly calculated and reported to the payroll department. We also recommend the employees be appropriately compensated for their work hours.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? The department adopted a spreadsheet to automate the calculation of student hours and eliminate math errors. Supervisors have been reminded of their responsibilities and provided a copy of the University's documentation regarding student workers to ensure that both they and student workers understand their obligations and that they review and sign time sheets before submission to payroll. As an additional measure, the Business Director will review time sheets to ensure department compliance with policy.**
- **How compliance and future good management and practice will be measured and assured. The Business Director is reviewing time sheets to ensure department compliance with policy.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for the training and review process is assigned to the Business Office Director. Accountability for the accuracy of the time sheets is assigned to department heads.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The review process is in place. Additionally, we are reviewing all student timesheets and payroll records for FY15 to identify and correct any student underpayments and will complete this review by February 2015.**

The student workers who were noted above will be paid for their unpaid hours at that time.

- **How compliance and performance will be documented for future audit, management and performance review. Actions recommended to supervisors based on the timesheet review will be retained internally for a year for training purposes and to ensure that student timesheets are prepared in accordance with policy.**

We expect to have this recommendation fully implemented by February, 2015.

3. Five timesheets were not signed by the employee.
4. On three occasions, timesheets were not signed in a timely manner in that they were signed after the pay period.

For items three and four, we recommend timesheets be signed by employees, as required by UNLV student employment policy. We also recommend timesheets be signed in a timely manner to indicate the employee and supervisor are in agreement with the hours reported before they are submitted to payroll.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? Supervisors have been reminded of their responsibilities and provided a copy of the University's documentation regarding student workers to ensure that both they and student workers understand their obligations and that they review and sign time sheets before submission to payroll. As an additional measure, the Business Director will review time sheets to ensure department compliance with policy.**
- **How compliance and future good management and practice will be measured and assured. The Business Director is reviewing time sheets to ensure department compliance with policy.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for the training and review process is assigned to the Business Office Director. Accountability for the accuracy of the time sheets is assigned to department heads.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The review process is in place.**
- **How compliance and performance will be documented for future audit, management and performance review. Actions recommended to supervisors based**

on the timesheet review will be retained internally for a year for training purposes and to ensure that student timesheets are prepared in accordance with policy.

We respectfully request that this item be closed.

5. On four occasions, students worked more than six hours in a day and did not take a 30 minute meal period. Nevada Administrative Code (NAC) 284.524 requires a minimum of a half to one hour meal period be provided for employees that work more than six hours in a day. UNLV student employment policy requires the meal period to be unpaid.
6. For one student worker, three timesheets were not available for review. UNLV student employment policy requires payroll documents to be maintained within the hiring departments.

For items five and six, we recommend student employees working more than a six hour shift take at least a thirty minute unpaid lunch break and that timesheets be maintained, as required.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? Supervisors have been reminded of their responsibilities and provided a copy of the University's documentation regarding student workers to ensure that both they and student workers understand their obligations and that they review and sign time sheets before submission to payroll. As an additional measure, the Business Director will review time sheets to ensure department compliance with policy.**
- **How compliance and future good management and practice will be measured and assured. The Business Director is reviewing time sheets to ensure department compliance with policy.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for the training and review process is assigned to the Business Office Director. Accountability for the accuracy of the time sheets is assigned to department heads.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The review process is in place.**

- **How compliance and performance will be documented for future audit, management and performance review. Actions recommended to supervisors based on the timesheet review will be retained internally for a year for training purposes and to ensure that student timesheets are prepared in accordance with policy.**

We respectfully request that this item be closed.

INFORMATION TECHNOLOGY

SHC utilizes a software application that provides electronic medical records and various practice management functions such as scheduling, billing, reporting and patient demographics. During a review of the application's information technology controls, we noted there is not an established policy for changing user passwords and that numerous users had not changed their password in over four years. We also noted the server housing the system's data is being backed up to a storage device that resides within the same building and room as the server. This arrangement increases the potential risk of data loss from a disaster.

We recommend SHC implement a policy for changing user passwords at least every 180 days, and preferably every 90 days. We also recommend the back-up data be stored at an additional off-site location, or in a different campus building, to help protect against the loss of data in the event of a disaster.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? A policy was adopted in December of 2014 by the SHC Governing Board that requires users to change their passwords every 180 days. Additionally, SHC leadership has recommended the use of a secure hosting facility that provides off-site backup and warm-site recovery in addition to other important benefits such as data encryption and vendor service level agreements for uptime and data recovery. This option has been vetted through UNLV OIT and we intend to utilize our current contractor to provide hosted services and this transition is expected to be completed by April, 2015.**

- **How compliance and future good management and practice will be measured and assured. The policy is enforced automatically through the electronic medical record software.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? Accountability for implementation of the password process is assigned to the Business Office Director and the SHC Director.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The password policy is in place and password changes will occur automatically every 180 days. Timing on the hosting arrangement is contingent on Purchasing's review and sign-off on contract terms.**
- **How compliance and performance will be documented for future audit, management and performance review. The password policy is documented and retained in the SHC policies and procedures manual. It is enforced automatically via software.**

We expect to have this recommendation fully implemented by 04/30/2015.

STATEMENT OF REVENUES AND EXPENDITURES

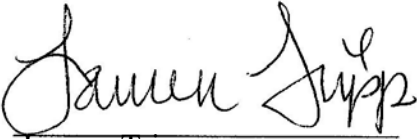
The statement of revenues and expenditures provided below is based on the activity of one self-supporting, three auxiliary, two gift, and two plant accounts that have been assigned to the Student Health Center. The revenue and expenditure information was obtained from the financial accounting system and is provided for informational purposes only.

	Self-Supporting Accounts	Auxiliary Accounts	Gift Accounts	Plant Accounts	Total
Balance, July 1, 2013	\$ 216,343	\$ 2,050,259	\$ 16,753	\$ 2,769,896	\$ 5,053,251
Transfers In	-	297,890 ¹	-	118,139	416,029
Revenues					
Tuition & Fees	-	3,835,074	-	-	3,835,074
Sales of Educational Activities	228,279	-	-	-	228,279
Sales Auxiliary	-	1,093,736	-	-	1,093,736
Total Revenues	228,279	4,928,810	-	-	5,157,089
Transfers Out	100,500	156,989	-	336,459 ²	593,948
Expenditures					
Salaries	226,177	3,619,994	-	-	3,846,171
Out of State Travel	-	12,810	-	-	12,810
General Operations	8,303	1,375,529	14,115	-	1,397,947
Sales & Service Recharge	-	(38,014)	-	-	(38,014)
Total Expenditures	234,480	4,970,319	14,115	-	5,218,914
Balance June 30, 2014	\$ 109,642	\$ 2,149,651	\$ 2,638	\$ 2,551,576 ³	\$ 4,813,507

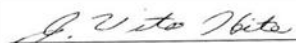
1. Transfers-in relate primarily to receipt of funds into the Faculty and Staff clinic account from the university Investment Pool account.
2. Transfers-out relate primarily to mandatory bond payments.
3. Plant accounts balance relates to SHC reserves maintained for funding their portion of bond payments for the Student Wellness and Recreation Center, and addressing of ongoing/future building maintenance and equipment costs.

The Internal Audit Department appreciates the assistance and cooperation received from the Student Health Center and UNLV staff during this review.


Las Vegas, Nevada
November 20, 2014



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AUDIT: UNLV Student Health Center

AUDIT PERIOD: 07/01/2013 – 06/30/2014

NUMBER OF FINDINGS: 9

NUMBER OF RECOMMENDATIONS IMPLEMENTED: 7

Nbr	Finding	Agree	Implemented	Est Date of Completion
1	Need independent employee to monitor physical inventory count	Yes	Yes	
2	Unable to determine if checks are deposited in a timely manner	Yes	Yes	
3	Two expenditures approved by employees without signature authority	Yes	Yes	
4	Statements of Account not for full period and not signed or dated	Yes	Yes	
5	Statements of Account not signed within 10 days	Yes	Yes	
6	Student workers hours not properly calculated	Yes	No	2/28/2015
7	Student timesheets not signed	Yes	Yes	
8	Students did not take required breaks	Yes	Yes	
9	Passwords not being changed in a timely manner	Yes	No	4/30/2015