

# AUDIT HIGHLIGHTS

## WHY WE DID THIS AUDIT

An audit of Chesapeake Integrated Behavioral Health (CIBH) was included on the City Council-approved fiscal year 2020/21 Audit Plan. The audit objective was to assess internal controls over sources and uses of funds as well as security measures in place to protect clients and staff.

## BACKGROUND

Chesapeake Integrated Behavioral Health (CIBH) Department was established as a community services board and is responsible for providing mental health, developmental, and substance use disorder services in accordance with the Virginia statute. CIBH also continues to provide many other services as a commitment to providing behavioral healthcare to Chesapeake citizens to facilitate opportunities for recovery, resilience, and wellness. These services are provided through CIBH, the agency that reports to the CIBH Board of Directors appointed by the Chesapeake City Council.

In 2020, CIBH made many changes to their business model in response to the COVID pandemic. Emergency purchases were made to accommodate the need for on-line behavioral health services, changes to the Intake processes, and back office financial operations. The findings that are described throughout the Cash Handling and Reimbursement billing processes were severely impacted due to services being provided virtually. CIBH is still working through the unknowns that were brought on by the pandemic while still working to achieve their goals.

CIBH is a Special Revenue Fund. Its financial operations interfaces directly with the City Treasurer, City Purchasing, and City Finance to manage the inflows and outflows of funds. Those processes include cash handling processes to manage the incoming sources of funds. The purchasing card (P-Card) program, purchase order, and non-purchase order processes are used to manage vendor payments and small purchases. Client services, billing, receivables, and payments are processed through CIBH's Electronic Health Record (EHR) Credible system. Payments are processed through the City's PeopleSoft system. CIBH MIS Operations also work closely with the City to secure the facilities from unauthorized access.

September 28, 2021

Audit Report No. 130

## WHAT WE FOUND

### *Favorable Observations Noted:*

- CIBH continues to accomplish its overall mission of providing a variety of behavioral healthcare services to Chesapeake citizens.
- A strategic plan was developed to track the progress of program goals. This document serves as a roadmap to accomplishing its mission, short-term, and long-term goals.
- CIBH maintains an annual Risk Management Plan to monitor a variety of department-wide issues, risk levels, recommendations, monitoring plans, and groups responsible for monitoring risk.
- CIBH employees were using the EHR Credible software so that relevant documentation and notes could be easily accessed.
- CIBH was successful in establishing video conferencing sessions due to the COVID -19 pandemic.

### *Opportunities for Improvement:*

Processes Reviewed	Description of Issues	Management Action
Cash Handling Processes	<ul style="list-style-type: none"> <li>▪ Some deposits of insurance checks were delayed due to insurance companies combining reimbursement payments in a single check for EMS and CIBH services.</li> <li>▪ Segregation of duties issues existed within the Cash Handling Processes resulting in checks being delivered to the Reimbursement Supervisor who also had access to client records.</li> </ul>	Improvement Measures Implemented
Billing/Intake	<ul style="list-style-type: none"> <li>▪ As a result of working with clients virtually in an on-line setting, financial information and client signatures were not always fully captured for billing purposes resulting in back office billing issues, high revenues, and low collections.</li> </ul>	Improvement Measures In-Progress
EHR Credible System Security Accesses and Segregation of Duties	<ul style="list-style-type: none"> <li>▪ Segregation of duties issues existed between two key personnel responsible for cash deposits since they also had access, and the ability to make changes to client accounts within the EHR Credible system.</li> <li>▪ Segregation of duties issues also existed within the EHR Credible System privileges granted to five key personnel responsible for the reimbursement process and fiscal administration.</li> </ul>	Improvement Measures Implemented
EHR Credible Supervisory Approval	<ul style="list-style-type: none"> <li>▪ Evidence of supervisory approval over employee changes made to client records in the EHR Credible System was obscure.</li> </ul>	Improvement Measures In-Progress
Purchasing Credit Card (P-Card)	<ul style="list-style-type: none"> <li>▪ Written P-card waivers granted by City Purchasing, intended to reduce administrative costs, created conflicts within its own purchasing policy which required the issuance of purchase orders and receipt of invoices for all CIBH client purchases.</li> </ul>	Improvement Measures In-Progress
Compliance Issues with Purchasing Policies and Procedures/ Contract Administration	<ul style="list-style-type: none"> <li>▪ There were some missed opportunities for competitive bidding.</li> <li>▪ CIBH was operating without the City's acceptance of 10 of 13 In-Home Day Support &amp; Vocational Services vendor contracts.</li> <li>▪ Eleven CIBH employees were utilizing Sam's Club Direct Credit Cards for CIBH purposes.</li> </ul>	Improvement Measures In-Progress
HIPPA Compliance	<ul style="list-style-type: none"> <li>▪ A quality assurance check was not working as intended to consistently redacted client PII and PHI from invoices before releasing them for payment through the PeopleSoft System.</li> </ul>	Corrective Measures Taken, & Some Still In-Progress
Badge Card Access Controls	<ul style="list-style-type: none"> <li>▪ Policy and standard operating procedures needed to be developed for the control over custody of badge access cards.</li> </ul>	Improvement Measures In-Progress
Petty Cash Compliance	<ul style="list-style-type: none"> <li>▪ City Finance was not notified when an employee who was assigned a cash fund terminated as required by City Finance Guidelines. The cash was fully accounted for and safely secured in the safe.</li> </ul>	Improvement Measures Implemented

## WHAT WE RECOMMEND

Due to the unique relationship between the City and CIBH, we would recommend that CIBH coordinate with the City Manager's Office on its management actions in response to this audit.