



# City of San Antonio

## Agenda Memorandum

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**In Control:** Audit Committee

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### **AUDIT COMMITTEE SUMMARY**

**March 17, 2015**

#### **Follow-Up Audit of San Antonio Metropolitan Health District Lab Operations**

Report Issued January 8, 2015

### **Background**

In August of 2013, the Office of the City Auditor completed an audit of the San Antonio Metropolitan Health District (SAMHD or Metro Health) Laboratory Operations. The objective of that audit was to determine if the laboratories were operating in compliance with appropriate rules and regulations.

That audit found that the laboratories comply with State and Federal regulations for the lab functions related to: Water Bacteriology, Milk and Dairy, Immunology, Microbiology, and Syphilis Serology. The laboratories also had effective controls in place to ensure compliance with safety standards and to ensure timely receipt and appropriate processing and reporting of test samples. However, the report noted several areas from an administrative perspective where improvement was needed. These areas included cash handling, submission of medical services claims, accurate billing for Milk and Dairy tests, inventory, purchasing, and IT system security.

### **Follow-up Audit Objective**

Determine if Metro Health management successfully implemented action plans to address prior audit recommendations related to Lab Operations.

### **Audit Scope & Methodology**

The audit scope was limited to recommendations and corrective action plans made in the original report for current processes during the period October 2013 to July 2014. We interviewed staff, observed inventory and cash control processes, reviewed standard operating procedures, and tested transactions. Testing criteria included City Ordinances, Medicaid and Medicare fee schedules, administrative directives, and internal standard operating procedures.

### **Audit Conclusions**

Metro Health has made progress implementing management action plans to address the prior audit recommendations. Six recommendations were originally made to Metro Health. We determined that

Metro Health has successfully implemented five action plans; however, one action plan involving the implementation of new information technology projects is still in progress. As new technology is implemented, we recommend user access be properly managed. Metro Health management agrees and will include user access management as new technology is implemented.