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September 4, 2018

Dr. Erika D. Beck, President
California State University Channel Islands
1 University Drive
Camarillo, CA 93012

Dear Dr. Beck:

**Subject: Audit Report 18-07, Counseling and Psychological Services,
California State University Channel Islands**

We have completed an audit of *Counseling and Psychological Services* as part of our 2018 Audit Plan, and the final report is attached for your reference. The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

I have reviewed the management response and have concluded that it appropriately addresses our recommendations. The management response has been incorporated into the final audit report, which has been posted to Audit and Advisory Services' website. We will follow-up on the implementation of corrective actions outlined in the response and determine whether additional action is required.

Any observations not included in this report were discussed with your staff at the informal exit conference and may be subject to follow-up.

I wish to express my appreciation for the cooperation extended by the campus personnel over the course of this review.

Sincerely,



Larry Mandel
Vice Chancellor and Chief Audit Officer

c: Timothy P. White, Chancellor

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COUNSELING AND PSYCHOLOGICAL SERVICES

**California State University
Channel Islands**

Audit Report 18-07
July 31, 2018

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of the operational, administrative, and financial controls for the counseling and psychological services (CAPS) program and to ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

CONCLUSION

We found the control environment for some of the areas reviewed to be in need of improvement.

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational, administrative, and financial controls for CAPS as of June 29, 2018, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In general, we noted that the campus had an appropriate framework for the administration of CAPS. However, the review indicated that the campus could improve its documentation to show that cost-recovery practices were supported with evidence of actual costs for services to other campus and external entities. Additionally, we noted that attention was required in some key areas related to practitioner licensing status verification, system access, patient eligibility verification, policy manual administration, training program administration, and retention of fund agreements.

Specific observations, recommendations, and management responses are detailed in the remainder of this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. COST RECOVERY

OBSERVATION

Justification for cost recovery from the extended university (EU) program needed improvement.

We noted that CAPS allowed EU students to access services, but the campus was unable to provide adequate documentation that the cost of these services was recovered from EU, a self-supported entity. CAPS is under the division of student affairs (DSA), and under the current arrangement between EU and DSA, EU pays one percent of its revenues as reimbursement for all services DSA provides, including CAPS. Neither DSA nor EU could provide an analysis that demonstrated that the one percent represented actual cost recovery, rather than an arbitrary negotiated percentage. Additionally, we found that CAPS had not performed an analysis of the costs of its services provided to EU students, which would be part of the calculation of the DSA reimbursement.

Executive Order (EO) 1000, *Delegation of Fiscal Authority and Responsibility*, states that campus administration is responsible for ensuring that costs incurred for services, products, and facilities provided to other California State University (CSU) funds and auxiliary organizations are properly and consistently recovered with cash and/or a documented exchange of value. Integrated California State University Administrative Manual (ICSUAM) §3552.01, *Cost Allocation/Reimbursement Plans for the CSU Operating Fund*, further states that the cost reimbursement requirement extends to entities external to the university.

An established cost-recovery plan or schedule allows the campus to identify and track costs and services provided to other CSU departments, as well as to auxiliary organizations and outside entities, and allows for the recovery of such costs.

RECOMMENDATION

We recommend that the campus coordinate with EU, DSA and CAPS to create an equitable and transparent cost-recovery allocation based on actual costs incurred.

MANAGEMENT RESPONSE

We concur. The campus will coordinate with EU, DSA, and CAPS to create an equitable and transparent cost-recovery allocation based on actual costs incurred. Evidence of these efforts will be provided by January 31, 2019.

2. LICENSURE STATUS VERIFICATION

OBSERVATION

The campus did not routinely check the licensure status of its professional staff.

EO 1053, *Policy on Student Mental Health*, requires that campuses develop protocols for routinely checking the licensure status and disciplinary actions for each mental health clinician through the state licensure board and, when appropriate, the National Practitioner Data Bank/Health Care Integrity and Protection Data Banks.

Routinely checking licensure status and disciplinary actions of the clinicians within CAPS reduces the risk that the campus will employ or retain unqualified staff.

RECOMMENDATION

We recommend that the campus implement procedures to routinely check the licensure status and, when appropriate, the National Practitioner Data Bank/Health Care Integrity and Protection Data Banks for all staff members required to have a professional license.

MANAGEMENT RESPONSE

We concur. The campus will further develop its procedures to ensure routine licensure status of all staff members required to have a professional license. Evidence of completion will be provided by October 31, 2018.

3. ACCESS TO ELECTRONIC HEALTH RECORD SYSTEM

OBSERVATION

The campus did not always timely remove user access to the electronic health record system from separated employees.

The campus used Titanium, an electronic health record system, for patient records and scheduling. Access reviews were conducted at the time of staffing changes, when CAPS hired or terminated an employee. We reviewed the current access list and found that a former trainee who had left within a month of our review was listed as an active user in Titanium.

Stronger oversight and timely update of user access to the electronic health record system reduces the risk that unauthorized people will gain access to sensitive information.

RECOMMENDATION

We recommend that the campus:

- a. Promptly remove user access to the electronic health record system from separated employees.
- b. Develop and implement a policy to review electronic health record system access on a routine basis.

MANAGEMENT RESPONSE

We concur.

- a. The campus will develop procedures to ensure prompt removal of access to the electronic health record system from separated employees.
- b. The campus will develop and implement a policy for the routine review of access to the electronic health record system.

We will provide evidence by January 31, 2019.

4. PATIENT ELIGIBILITY VERIFICATION

OBSERVATION

The campus CAPS eligibility screening method did not ensure that only enrolled students accessed services.

We found that the campus was checking eligibility by asking students to show their student identification card. There was no independent verification to determine whether the student was still enrolled and eligible for services.

An effective screening method provides greater assurance that only qualified individuals will be allowed access to services.

RECOMMENDATION

We recommend that the campus work with CAPS to strengthen the eligibility screening method to ensure that only enrolled students have access to services.

MANAGEMENT RESPONSE

We concur. The campus and CAPS will work to strengthen our eligibility screening method to ensure that only enrolled students have access to services. Evidence will be provided by January 31, 2019.

5. CAPS PROCEDURES MANUAL

OBSERVATION

The *CAPS Procedures Manual* needed to be updated to reflect current practices.

The *CAPS Procedures Manual* is a comprehensive handbook that provides staff with guidelines, instructions, and context required to fulfill primary clinical and administrative

duties. At the time of our review, the document contained several sections that no longer reflected the current practices of and designations used within CAPS. Specifically:

- Section 1.4. refers to the director of counseling and disability services, which has been renamed the director of counseling and psychological services.
- Section 2.6.1 inaccurately states that EU students are not eligible for CAPS.
- Section 3.1.4. refers to the disability resources program, which has been renamed disability accommodations and support services.
- Section 3.3 inaccurately states that the director builds a “work load contract” with the CAPS clinicians on an annual basis, and the director had determined that this was no longer necessary due to a redundancy in the procedure manual.
- Section 3.4.11 inaccurately describes the record retention and purging practices of CAPS.
- Section 3.4.3 inaccurately states that the director is consulted for every request for release of patient clinical records.
- Section 3.9.5 inaccurately states that the director is consulted in every situation in which a clinician recommends that a patient be allowed to schedule appointments beyond the recommended maximum of eight sessions.

A reviewed and updated *CAPS Procedures Manual* would decrease the risk of confusion and inconsistent practices within CAPS.

RECOMMENDATION

We recommend that the campus update the *CAPS Procedures Manual* to reflect current organizational structure, titles, and practices.

MANAGEMENT RESPONSE

We concur. The *CAPS Procedures Manual* will be updated to reflect the current organizational structure, titles, and practices. This will be completed by October 31, 2018.

6. TRAINING VERIFICATION FORMS

OBSERVATION

The campus was not consistently tracking training for clinicians participating in a practicum training program.

CAPS maintained a Practicum Trainee Program in which graduate students who were earning a doctorate in psychology were selected to work with patients under the supervision of licensed clinicians. Training Verification forms were provided to the participants during their orientation period to track progression in an established curriculum. We reviewed the

training files for the participants for the past two years, and we found that the forms were not being consistently completed and reviewed.

Enforcement of the requirement to utilize the training verification form provides greater assurance that the graduate student participants are meeting the learning outcomes of the program, and that patients are receiving appropriate care.

RECOMMENDATION

We recommend that the campus require CAPS to use the Training Verification forms to track trainees' progression in the established curriculum.

MANAGEMENT RESPONSE

We concur. While the CAPS training program is currently suspended, we will develop procedures to ensure appropriate tracking of trainees' progression through documented use of the Training Verification forms. This will be completed by October 31, 2018.

7. TRAINEE PROFESSIONAL LIABILITY INSURANCE

OBSERVATION

The campus did not always obtain proof of professional liability insurance from participants in the practicum training program.

The campus selected graduate students enrolled in psychology doctorate programs at outside universities for the practicum training program. As part of the agreements between the campus and the outside institutions, participants were required to provide proof of professional liability insurance. We reviewed the trainee files for the past two years, and we noted that the campus had not verified and retained documentation of participant professional liability insurance coverage.

Professional liability insurance protects the institution from financial liability in most claims related to patient care.

RECOMMENDATION

We recommend that the campus obtain proof of professional liability insurance from participants in the practicum training program and maintain the documentation in trainee files.

MANAGEMENT RESPONSE

We concur. The campus will review this requirement with the intent to either obtain proof of professional liability insurance from participants in the practicum training program or to assess the appropriateness of this requirement, as stated currently in our agreements with other institutions. This will be completed by October 31, 2018.

8. FUND AGREEMENT

OBSERVATION

The campus was unable to locate a fund agreement for the account holding the student health services fee.

The campus requires that fund agreement forms be sent to the budget and planning department so that approval of the new fund can be documented. The campus was unable to produce the form for fund GD915, which holds the student health service fee through which CAPS is primarily funded.

Easily accessible fund agreement forms help the campus avoid unallowable use of fund balances.

RECOMMENDATION

We recommend that the campus locate or re-create the agreement for the fund holding the student health services fee and save the document in an easily accessible format.

MANAGEMENT RESPONSE

We concur. The campus will re-create the agreement for the fund holding the student health services fee and save the document in an easily accessible format. This will be provided by August 31, 2018.

GENERAL INFORMATION

BACKGROUND

The CSU offers CAPS to matriculated CSU students in order to support student learning, well-being, and overall academic success. Provision of mental health services supports the Student Engagement and Well-Being element of the CSU Graduation Initiative 2025.

In 2009, the CSU created the Select Committee on Mental Health Services to determine the level of mental health services appropriate to address student needs and to review and identify the resources necessary to provide those services. As a result of this review, the CSU created a Student Mental Health Services Advisory Committee that is composed of several constituents, including, but not limited to, vice presidents for student affairs, provosts/vice presidents for academic affairs, counseling and psychological services directors, student health center directors, housing directors, and campus police. The advisory committee meets regularly to discuss emerging mental health issues and concerns. It also reviews systemwide policies on mental health and makes recommendations to the chancellor's office.

All campus CAPS programs must adhere to EO 1053, *Policy on Student Mental Health*. This systemwide policy requires that each campus maintain a minimum level of mental health services, including accessible, professional mental health care; counseling, outreach, and consultation programs; and educational programs and services. The basic services each campus must make available to CSU students includes counseling and psychotherapy, suicide and personal violence services, emergency and crisis services, outreach, mental health consultation, and referral resources. Basic services may be funded using state appropriations or mandatory student fees, and are available without additional charge to all matriculated students. Campuses may also offer augmented mental health services beyond the scope of the required basic services, such as specialty care appropriate to the mental health needs of students; services to partners or family members of eligible students; and services to students of non-state-supported programs of the university, such as extended education. Augmented services are subject to user fees, the amount of which must be limited to the actual cost of the services provided.

The California State University, Channel Islands (CI) CAPS program helps matriculated students meet the personal challenges associated with identifying and accomplishing academic, career, and life goals. The program provides all required basic services to matriculated students as part of the mandatory health services fee, and to students in self-supported programs via a cost-recovery agreement with EU. The CAPS program is overseen by a director who reports to the associate vice president of wellness and athletics in the DSA. Counseling services are provided by a team of five licensed mental health professionals under the supervision of the licensed director and supported by one administrative employee. In addition to direct client services, the staff develops and participates in outreach and special events tailored to the mental health demographics of the campus. In past years, the campus has participated in a practicum training program for psychology doctorate students from other universities; this program has been temporarily suspended for restructuring.

SCOPE

We visited the CI campus from June 4, 2018, through June 29, 2018. Our audit and evaluation included the audit tests we considered necessary in determining whether the operational, administrative, and financial controls are in place and operative. The audit focused on procedures in effect from July 1, 2016, through June 29, 2018.

Specifically, we reviewed and tested:

- Campus administration of counseling and psychological services, including clear reporting lines, well-defined roles and responsibilities, and maintenance of current program policies and procedures.
- CAPS program external reviews and management responsiveness to recommendations.
- Fiscal administration of fees managed directly by the program and the processing of operating expenditure transactions.
- Establishment of and any subsequent changes to mandatory student mental health services fees for basic services and user fees for augmented services.
- Provision of basic and augmented mental health services offered to students, including eligibility of services.
- Administration of the graduate practicum training program, including proper classification and compensation of interns, clinical supervision, program and trainee evaluations, defined policies and procedures, and proper disclosures to students.
- Procedures to confirm licensure status of mental health clinicians and identify potential conflicts of interest.
- Medical records management, including practices to ensure security, confidentiality, access, record retention, and student consent to release medical information.
- Management of third-party vendors and providers to ensure that they have proper contracts and that confidentiality of mental health information is properly defined and established.
- Information security practices to ensure system access controls, information security, and off-site location back-ups.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

Our testing and methodology, which was designed to provide a review of key administrative and operational controls, included interviews, walkthroughs, and detailed testing on certain aspects of the CAPS program. Our review was limited to gaining reasonable assurance that essential elements of the CAPS program were in place and did not examine all aspects of the program.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations; CSU Board of Trustee policies; Office of the Chancellor policies, letters, and directives; campus procedures; and accreditation standards. This audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

This review emphasized, but was not limited to, compliance with:

- EO 943, *University Health Services*
- EO 1000, *Delegation of Fiscal Authority and Responsibility*
- EO 1053, *Student Mental Health*
- EO 1102, *CSU Student Fee Policy*
- California Civil Code Section 56-56.37, *Confidentiality of Medical Information Act*
- 20 United States Code §1232g; 34 CFR Part 99, *Family Educational Rights and Privacy Act (FERPA)*,
- Coded memorandum Human Resources 2005-16, *Requirements for Protecting Confidential Personal Data*
- ICSUAM §3000, *General Accounting*
- ICSUAM §8000, *Information Security*
- ICSUAM §1101, *Delegation of Authority to Obligate the University*
- Government Code §13402 and §13403
- CI Counseling and Psychological Services *Procedures Manual*
- CI Counseling and Psychological Services *Training Manual*

AUDIT TEAM

Audit Manager: Ann Hough
Internal Auditor: Allen Tung