

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

733



**FROM:** County Auditor-Controller

**SUBMITTAL DATE:**  
July 5, 2007

**SUBJECT:** Internal Auditor's Report #2007-304 – Riverside County Regional Medical Center Nursing Registry Fees Follow-UP Audit

**RECOMMENDED MOTION:** Receive and file Internal Auditor's Report #2007-304 – Riverside County Regional Medical Center Nursing Registry Fees Follow-Up Audit.

**BACKGROUND:** The Auditor-Controller completed a follow-up audit of the Riverside County Regional Medical Center Nursing Registry Fees. Our audit was limited to reviewing actions taken, as of April 17, 2007, to implement the recommendations made in our original Auditor's Report #2006-301, dated April 17, 2006.

The original audit report contained six recommendation, all of which required implementation and therefore, were reviewed as part of this audit with the following results:

- Four recommendations were fully implemented.
- Two recommendations were partially implemented.

The recommendations that were not fully implemented will be reviewed as part of another scheduled audit of RCRMC during fiscal year 2007/08.

*for Robert E. Byrd*  
Robert E. Byrd  
County Auditor-Controller

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**RECEIVE AND FILE**  
BY: *Rob Rockwell*  
Rob Rockwell

County Executive Office Signature

Dept Recomm.:  Policy  Policy  
Per Exec. Ofc.:  Consent  Consent

Prev. Agn. Ref.: | District: | Agenda Number:

2.14



OFFICE OF THE  
COUNTY AUDITOR-CONTROLLER

County Administrative Center  
4080 Lemon Street, 11<sup>th</sup> Floor  
P.O. Box 1326  
Riverside, CA 92502-1326  
(951) 955-3800  
Fax (951) 955-3802



COUNTY OF RIVERSIDE  
AUDITOR-CONTROLLER

Robert E. Byrd, CGFM  
AUDITOR-CONTROLLER

Bruce Kincaid, CPA  
ASSISTANT  
AUDITOR-CONTROLLER

July 5, 2007

Mr. Douglas Bagley, Hospital Administrator  
Riverside County Regional Medical Center  
26520 Cactus Street  
Moreno Valley, CA 92555

Subject: Internal Auditor's Report #2007-304 Riverside County Regional Medical Center Nursing Registry Fees Follow-Up

Dear Mr. Bagley,

We have completed the second Follow-up Audit of Riverside County Regional Medical Center's Nursing Registry process. Our audit was limited to reviewing actions taken, as of April 17, 2007 to implement the recommendations made in Internal Auditor's Report 2006-301 dated April 17, 2006.

We conducted our follow-up audit in accordance with auditing standards established by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide sufficient, competent, and relevant evidence to achieve the audit objectives. We believe our work provides a reasonable basis for our conclusions.

The original audit report contained six recommendations, all of which required corrective action and; therefore, were reviewed as part of this audit. For an in-depth understanding of the original audit, please refer to Internal Auditor's Report 2006-301.

This follow-up audit found that of the six recommendations:

- Four recommendations were fully implemented.
- Two recommendations were partially implemented.

We will follow-up on the two partially recommendations during another scheduled audit during fiscal year 2007/08.

The following is a summary of the current status of the findings and recommendations identified in the original audit.

**INTERNAL AUDITOR'S REPORT #2006-301**

**Timekeeping**

**Finding 1:** Procedures over some of Nurse Staffing Office timekeeping responsibilities did not provide sufficient guidance. Without adequate procedures the Nurse Staffing Office is subject to performance that is inconsistent.

**Recommendation 1:** Management should provide adequate procedures over Nurse Staffing Office data entry and timekeeping responsibilities to ensure staff is provided with the guidance necessary to perform their duties.

**Current Status: Fully Implemented.** Management implemented procedures that adequately address the responsibilities of the Nurse Staffing Office. To verify compliance with those procedures, we reviewed a judgmental sample of six weeks registry nurses' time cards, confirmation forms, invoices and Time and Attendance Reports for 5 of 32 per diem and travel registries. Our review disclosed that the Nurse Staffing Office appropriately exercised their time keeping responsibilities in regards to data entry of registry nurses' hours into assigned cost centers. Since the revised procedures require Nurse Registries to send invoices directly to the Fiscal Office the Nurse Staffing Office does not verify invoices prior to payment. These invoices are verified by the fiscal department using the timecards and Time and Attendance Reports provided by the Nurse Staffing Office.

**Finding 2:** Registry nurses signed out before the end of their shifts and sometimes failed to sign-in and/or out for their scheduled shift. Unit Charge Nurses indicated that registry nurses arrive to their assigned units 15-20 minutes later than scheduled. However, Registry nurses did not bring daily timesheets to their assigned unit for validation by the Charge Nurse; therefore, in order to validate registry nurses hours worked, Nurse Staffing Office personnel manually verify the hours charged on registry invoices to the registry sign-in/out sheets and to the staffing schedules.

**Recommendation 2.1:** RCRMC should consider an automated system that will allow registry nurses to sign-in/out directly into a computer located at their assigned unit that will automatically track hours, assigned hours worked to appropriate cost centers and can be validated by the unit Charge Nurse. The automated system should allow the Nurse Staffing Office to generate reports for registry billing and for verification of registry invoices in a more timely and efficient manner. Meanwhile, enforce the daily timesheet requirement from registry nurses, charge nurses and the Nurse Staffing Office.

**Current Status: Partially Implemented.** The Nurse Staffing Office implemented a semi-automated time clock system requiring Registry Nurses to clock in and out at the Nurse Staffing Office. Our review indicated that the Nurse Staffing Office was adhering to the revised policy and procedures for Nurse Registry timekeeping functions. However, the current system does not include Charge Nurses at the assigned units validating the Registry nurses hours worked. Nurse Administration is developing a policy for Nursing Unit Confirmation of Registry Time whereby the Nurse Staffing Office will submit an electronic report the next business day to the Nurse Manager/designee to confirm the registry hours worked for the prior day(s). This is an additional quality control step to the existing process of registry confirmation.

**Recommendation 2.2:** Ensure the Nurse Staffing Office has adequate policies and procedures to properly perform their duties (Refer to Recommendation 1). Re-train the staff in the Nurse Staffing Office to adhere to Nursing Administration policies and procedures over the nurse registry timekeeping process and overtime approval.

**Current Status: Fully Implemented.** The Nurse Staffing Office implemented procedures that adequately address their duties and provided training to staff on compliance with Nursing Administration policy and procedures in regards to Nurse Registry timekeeping and overtime.

Recommendation 2.3: Establish written policies and procedures for unit Charge Nurses that provide guidelines for validating registry nurses hours worked.

Current Status: **Partially Implemented.** At the time of this review, RCRMC had not established policies and procedure for validating Nurse Registry hours by unit Charge Nurses. However, as stated in the follow-up to Recommendation 2.1, a unit Nurse Manager/designee confirmation process is being added to the current registry confirmation process.

Finding 3: Inefficiencies existed over the registry invoice payment process. The terms in the nurse registry contracts states that the county shall pay invoices within 30 working days of receipt of the invoice. However, the process of reviewing registry invoices for payment takes approximately 60-90 days from the invoice date to the date of payment.

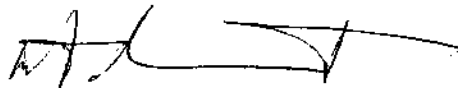
Recommendation 3.1: We recommend that all registry invoices be date stamped with the date of receipt and forwarded to the Nurse Staffing Office.

Recommendation 3.2: As mentioned in Recommendation 2.1, consider an automated system for tracking registry nurses' hour worked which will generate reports for the Nurse Staffing Office to verify registry invoices more accurately and timely. In addition, the system can provide management with invaluable information on the usage of registry nurses.

Current Status: **Fully Implemented.** The Fiscal Office date stamps registry invoices upon receipt, logs them into the PeopleSoft Financial System and reconciles them with the Time and Attendance reports provided by the Nurse Staffing Office. This revised process has resulted in a reduction in the average number of days to complete the payment process. Our review of 31 registry invoices disclosed that the average number of days to complete the payment process was 27 vice the prior 60-90 days. The system in use provided information on the usage of registry nurses.

We appreciate the cooperation and assistance extended to us by Riverside County Regional Medical Center, Nurse Staffing Office staff during this follow-up audit. Their assistance contributed significantly to the successful completion of the audit.

ROBERT E. BYRD, CGFM  
Auditor-Controller



By: Michael G. Alexander, MBA, CIA  
Chief Internal Auditor

cc: Board of Supervisors  
County Counsel  
Executive Office  
Grand Jury