
**CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR**

**SAN ANTONIO METROPOLITAN HEALTH DISTRICT
AUDIT OF LABORATORY SERVICES
PROJECT NO. AU23-018
JULY 24, 2023**

**KEVIN W. BARTHOLD, CPA, CIA, CISA
CITY AUDITOR**



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Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the San Antonio Metropolitan Health District (Metro Health), specifically Laboratory Services. The audit objectives, conclusions, and recommendations follow:

Determine if Metro Health Laboratories are in compliance with regulations and operating efficiently and effectively.

Metro Health laboratories are in compliance with regulations and operating efficiently and effectively. Required accreditation standards and training requirements are met. Fiscal controls are in place to include inventories, cash reconciliations, and invoice review. Furthermore, periodic reviews are performed to confirm access is adequate for data systems and laboratory access.

We make no recommendations to Metro Health; consequently, no management responses are required. Management's Acknowledgement of these results is in Appendix B on page 7.

Background

Metro Health's responsibility is to provide public health programs that prevent illness, promote healthy behaviors, and protect against health hazards. Laboratory Services support these functions by providing the following services:

- Tuberculosis and serology testing for clinical patients,
- Water bacteriology testing for regional public water systems, mobile food vendors, and the general public,
- Rabies testing for Animal Care Services, regional animal control authorities, and private veterinarians, and
- Regulated milk and dairy testing for 38 county regions in South Central Texas.

In addition, Metro Health participates in a Centers for Disease Control and Prevention (CDC) cooperative agreement to coordinate a network of laboratories that can respond to biological and chemical threats and other public health emergencies. These services are funded by grants and the general fund.

In total, 16 personnel play a part in executing laboratory procedures at three separate locations: the Main Laboratory, the Sexually Transmitted Infections Laboratory (STI), and the Laboratory Response Network (LRN) Lab.

These laboratories are heavily regulated and undergo multiple external reviews by the following regulators:

- Clinical Laboratory Improvement Amendments (CLIA) – Review for competency in technical specialties & subspecialties.
- Texas Commission on Environmental Quality (TCEQ) – Test for compliance with drinking water standards.
- Department of State Health Services (DSHS) / U.S. Food and Drug Administration (FDA)/ CDC - Confirm compliance with standards and guidelines, measure personnel performance, and proficiency of techniques.
- Federal Select Agent Program – Review for competency for the possession, use, and transfer of biological agents and toxins.

StarLIMS is the operating system utilized for the Main and STI Laboratories' specimen intake and result reporting. Security and system access are maintained by the City's Information Technology Services Department.

Audit Scope and Methodology

The audit scope was Metro Health laboratory operations for March 2021 through May 2023 and included compliance reviews, personnel training, fiscal and inventory monitoring, and physical and system access controls.

To gain an understanding of department operations, we interviewed lab personnel and conducted walkthroughs of operational, fiscal, and information technology processes. External regulatory requirements for laboratories, Metro Health's internal policies and procedures, grant agreements, and City Administrative Directives were utilized as primary criteria for this audit.

We assessed internal controls relevant to the audit objective. This included a review of written policies & procedures, authorization practices, and ongoing monitoring efforts. Testing procedures included assessing whether laboratories were appropriately accredited, and personnel had completed adequate training. Additionally, the audit team confirmed inventories were completed and reconciled to SAP. Further, grant invoices were reviewed for adequate support and reconciliation to SAP. Finally, the audit team identified key information technology systems and confirmed user access was appropriate.

We relied on computer-processed data in SAP to validate personnel job descriptions/employment status and to reconcile inventory and grant invoice totals. Additionally, user reporting from Lab Services' system of record (StarLIMS) and clinical systems, TMHP (Medicaid portal) and ezEMRx (patient electronic medical record), were utilized to confirm user access was appropriate. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained herein delivers a reasonable basis for the stated findings and conclusions based on our audit objective.

Audit Results

Metro Health Laboratories are in compliance with regulations and operating efficiently and effectively. The two most recent external reviews for each lab (6 total) met required accreditation standards and where applicable, undertook minor corrective action. Additionally, the Main Laboratory met accuracy standards for their water, serology, rabies, and milk/dairy testing. The audit team confirmed each area performed two separate tests during FY 2023 (8 total) and met accuracy standards. All lab personnel (17 individuals) were also confirmed to have taken required trainings during FY 2023.

Adequate fiscal controls are in place. We confirmed inventories for FY 2023 (quarters 1 and 2) reconciled to SAP. Additionally, we verified their accuracy by performing an on-site inventory of 5 random stock items. Five days of cash receipts were verified for support, management approval, and reconciliation to SAP. Invoices for 4 grants between August 2022 and March 2023 were reviewed, and each had adequate support for invoiced amounts.

System and physical access are adequate. We confirmed 3 quarterly user access reviews for lab data system, StarLIMS. Additionally, personnel with system access were verified to have current Health Insurance Portability and Accountability Act (HIPAA) training. Lastly, jointly, CoSA ID Registrar and Metro Health Management perform monthly and annual reviews of badge access. Review of the active badge listing confirmed laboratories have appropriate access for all 51 badge holders.

Appendix A – Staff Acknowledgement

Abigail Estevez, CPA, CIA, CISA, Audit Manager

Denise Trejo, Auditor in Charge

Rudy Carrasco, Auditor

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

June 23, 2023

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Acknowledgement of its Review of San Antonio Metropolitan Health District Labs

Metropolitan Health District has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

San Antonio Metropolitan Health District:

Fully Agrees

Does Not Agree (provide detailed comments)

Sincerely,

Anita Kurian, Deputy Director

July 3, 2023

For Claude A. Jacob, DrPH, MPH
Director
San Antonio Metropolitan Health District

Date

Erik Walsh

7/3/23

Erik Walsh
City Manager
City Manager's Office

Date