

MENTAL HEALTH AREA B
OFFICE OF MENTAL HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA



PROCEDURAL REPORT
ISSUED AUGUST 16, 2006

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of \$13.38. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.lla.state.la.us. When contacting the office, you may refer to Agency ID No. 3375 or Report ID No. 06900997 for additional information.

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July 25, 2006

**MENTAL HEALTH AREA B
OFFICE OF MENTAL HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Jackson, Louisiana**

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at Mental Health Area B (MHAB), which is comprised of the Eastern Louisiana State Hospital, Greenwell Springs Hospital, Feliciana Forensic Facility, and the mental health clinics and pharmacies in Regions IV and V, for the period from July 1, 2004, through July 25, 2006. Our procedures included (1) a review of MHAB's internal controls; (2) tests of financial transactions; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and selected MHAB personnel and evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary. After analyzing the data, we developed recommendations for improvement. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

The Annual Fiscal Reports of MHAB were not audited or reviewed by us, and, accordingly, we do not express an opinion on these reports. MHAB's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, all significant findings are included in this report for management's consideration.

Lack of a Disaster Recovery/Business Continuity Plan

MHAB does not have a disaster recovery/business continuity plan to ensure that all data and system processes can be recovered after a disaster. A formal disaster recovery and business continuity plan should exist for the timely restoration of all critical entity operations in the event that normal data processing facilities are unavailable for an extended period of time. In addition, the Office of Information Technology Policy Number 11 requires state entities to develop, test, and maintain disaster recovery and

business continuity plans designed to ensure the availability of mission-critical services and functions in the event of a disaster or unscheduled event that would impact the agency's information technology (IT) and telecommunications systems.

An adequate disaster recovery/business continuity plan should include, at a minimum, the following:

- Maintaining a written functional plan that will allow for continued operation of critical IT services in the event of an unexpected interruption
- Routinely backing up data files, computer programs, and critical documents to be stored offsite and having access to a remote facility that has the same operating systems as MHAB so that data can be processed and operations can continue with minimal disruption of services
- Adequately training staff and other users of the system so they understand their responsibilities in case of emergencies
- Providing a schedule for testing the plan to ensure it works as intended

A review of MHAB's IT applications disclosed that the agency has not developed a formal disaster recovery and business continuity plan for its MAS 90 inventory system, the Patient Account Program, the Patient Information System, and the Health Care System, which is used to maintain patients' medical records and track pharmaceutical inventories. Activity for these systems follows:

- The balance of materials and supplies in the inventory system totals \$836,279 at June 30, 2005.
- Deposits and withdrawals recorded through the Patient Account System totaled \$842,056 and \$877,200, respectively, for the year ended June 30, 2005.
- Billings and payments recorded through the Patient Information System totaled \$289,232 and \$160,641, respectively, for the year ended June 30, 2005.


Although MHAB has taken steps to ensure that its data files and computer programs are backed up and stored at an offsite facility, current policies and procedures do not include a written, comprehensive plan related to disaster recovery/business continuity, the related training and testing to ensure that the plan works as intended, and access to a remote facility with the same operating system. Failure to develop, implement, and test a formal disaster recovery/business continuity plan for all systems increases the risk that in the event of a disaster, there will be an untimely or excessive delay in processing critical data and that critical data may be lost.

MHAB management should develop and implement a written, comprehensive disaster recovery/business continuity plan for all system processes that allows critical operations to be reestablished and data to be restored from an alternative location within an acceptable time frame should a disaster occur. The plan should be tested periodically and updated as necessary to ensure that it continues to meet MHAB's needs. Management concurred with the finding and recommendation and outlined a corrective action plan (see Appendix A, pages 1-2).

The recommendation in this report represents, in our judgment, that most likely to bring about beneficial improvements to the operations of MHAB. The nature of the recommendation, its implementation cost, and its potential impact on the operations of MHAB should be considered in reaching decisions on courses of action. The finding which relates to MHAB's compliance with state regulations should be addressed immediately by management.

This report is intended solely for the information and use of MHAB and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

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Management's Corrective Action
Plan and Response to the
Finding and Recommendation



STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



Kathleen Babineaux Blanco
GOVERNOR

June 23, 2006

Frederick P. Cerise, M.D., M.P.H.
SECRETARY

Mr. Steve J. Theriot, CPA
Legislative Auditor
State of Louisiana, Office of Legislative Auditor
1600 North Third Street
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Baton Rouge, LA 70804-9397

Dear Mr. Theriot:

RE: Audit Finding: Lack of a Disaster Recovery/Business Continuity Plan

In response to the letter dated May 30, 2006 concerning the audit finding for Mental Health Area B of the lack of a Disaster Recovery/Business Continuity Plan, we concur with the finding and offer the following information.

We have a plan that has been in progress for about six months that was shared with the auditing staff and has progressed further since their departure. Our plan is based on information from Department of Health and Hospitals (DHH) and from the standards of the Joint Commission on Accreditation of Hospital Organizations (JCAHO). The plan has been approved by our ELMHS System Executive Board and will be shared with our Area B Management Team. The Policy and Procedure: Disaster Recovery and Continuity Plan is approximately 70 pages and can be e-mailed or printed if you need an updated copy.

We were already routinely backing up data files, computer programs, and critical documents, but the storage was in a building separate from the networking equipment located on the grounds of the hospital in Jackson. We have arranged to store back-ups offsite between our two hospital locations of Jackson and Greenwell Springs, approximately 35 miles apart. Also, the network operations can be accessed from both sites, so we can continue operations if one site is down.

We have trained Information Systems staff on the operations of the network systems and the back-up and restoration of the systems. We have established a call back procedure for situations of emergency and will include this in our testing.

OFFICE OF MENTAL HEALTH • AREA B • EASTERN LOUISIANA MENTAL HEALTH SYSTEM

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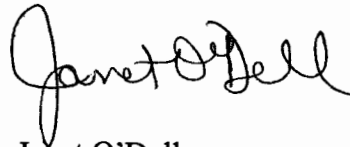
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Audit Finding
June 23, 2006

We plan to implement the Disaster Recovery Plan effective July 1, 2006 and we are scheduling several tests over the next year; some will be announced and some will be unannounced. By July 1, 2007 we will have reviewed and corrected any findings from the mock tests and will have made any necessary changes to the Disaster Recovery Plan. If necessary, we will re-issue the plan with the new effective date.

The contact person can be me, Janet O'Dell, for overview information and updates. The responsible persons for implementing the plan and testing will be Paulette Porter-Labostrie, Administrative Manager for TQM and Lionel Wilson, Information Technology Supervisor. If you have any questions, please contact me at 342-8740.

Sincerely,



Janet O'Dell
MHAA2, Fiscal Director

JO/jo

Encl.

CC: Eddie Jenkins
Mark Anders
Jean Mulmore
Stan Mead
Gwen Johnson