



## ***Center City Counseling Clinic***

***October 4, 2018***

**Office of Internal Audit and Compliance**



# Missouri State<sup>™</sup>

U N I V E R S I T Y

**DATE:** October 4, 2018

**TO:** Robin Farris, Director for Center City Counseling Clinic  
Dr. James Satterfield, Department Head, Counseling Leadership and Special Education

**FROM:** Donna Christian, Director of Internal Audit and Compliance  
Tami Reed, Senior Internal Auditor

**CC:** Dr. David Hough, College of Education  
Dr. Frank A. Einhellig, Provost  
Rachael Dockery, General Counsel  
Clifton M. Smart III, University President

## Center City Counseling Clinic

### BACKGROUND

The Center City Counseling Clinic operates through the Department of Counseling Leadership and Special Education within the College of Education. The Counseling Clinic is located in the Park Central Office Building in downtown Springfield, and provides counseling services for adults, teens, young children down to the age of two, and couples.

The Clinic was established over 20 years ago allowing the students an opportunity to work in a real world setting while providing professional services to low income residents. The staff is limited to the Clinic Director with Graduate Assistants assisting in Clinic Coverage when clients are being seen. All students in the University's Graduate Counseling Program are required to complete a practicum class which includes a minimum of 40 hours direct client contact. Counseling provided by these and intern level students at the clinic is overseen by the Clinic Director and program faculty who are themselves fully licensed as professional counselors or psychologists.

The Clinic's mission to serve the community coincides with the University's Public Affairs Mission. Fees charged by the clinic are based upon the client's ability to pay and may be waived entirely if the individual or family is unable to pay. Counseling sessions last approximately 50 minutes with fees ranging from \$5 to \$20 per session. Persons living in the Springfield area may receive a bus pass that will allow them transportation to and from their appointments.

As part of the Clinic's dedication to community outreach, the Clinic Director also organizes several half-day workshops for counselors, social workers and educators. The workshops provide local counselors an opportunity to obtain continued education and promote the services offered by the Clinic.

Clinic revenue totaled approximately \$25,000 for the two years ending June 30, 2018. The revenue is deposited into a designated fund within the University's accounting records. Some, but not all of the clinic's expenses are paid from this fund which has allowed the balance in the fund to accumulate to over \$33,000. The Clinic Director anticipates using these funds toward the replacement of the camera system in the clinic.

## OBJECTIVE AND SCOPE

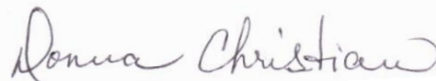
The objectives of this audit were to review the procedures and controls associated with clinic operations. The scope of this audit includes, but is not limited to the two years ending June 30, 2018.

## SUMMARY

A written contract between the University and the Clinic Director allows the Clinic Director to use clinic space for her private practice sessions and in return, the Clinic Director pays the University a portion of the fees she collects. The terms of this contract need to be more actively monitored by University management, and may need updated to ensure the University is adequately protected with malpractice insurance. Additionally, a copy of the contract should be on file with the College of Education and in the Director's personnel file with the Office of Human Resources.

Other recommendations addressed in this report include:

- Streamlining accounting records to save time, prevent duplication, and avoid discrepancies between records.
- Ensuring deposits are made on a timely basis in compliance with University policy.
- Ensuring amounts paid by clients agree to the client payment agreements.
- Establishing an adequate segregation of duties in compliance with University policy including a review of records by the Clinic Director.



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Donna K. Christian, CPA, CGFM,  
Director of Internal Audit and Compliance



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Tami Reed, Senior Internal Auditor  
Audit Field Work Completed: August 13, 2018

## OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

### 1. Use of Center City Counseling Clinic For Private Practice

A 2008 contract between the University and the Counseling Director (an MSU employee) allows the Director limited use of the University's clinic for her private practice. Our review noted that improvement is needed in contract terms and management oversight.

- The contract authorizes the Director to perform four hourly sessions per week at the clinic for her private practice. Additional sessions require prior approval. Our review noted up to seven sessions held during some weeks without documentation of prior approval.
- The contract requires the preparation of a monthly report documenting sessions provided and fees collected. This report is to be submitted to the department head for approval. The contract also requires the Clinic Director to pay the University ten percent of the fees she collects while performing private practice sessions. While the Director prepares a monthly report and submits fees to the University, our review noted that the monthly report was not submitted to the department head for approval and confirmation of the fees paid to the University. The Director maintained the monthly reports on file at the Clinic.
- The contract requires the Clinic Director to maintain malpractice insurance of \$100 million; however contract terms do not require Missouri State University and the Board of Governors to be named as insured parties. Since the services are for the Director's private practice, the State Legal Expense Fund would not cover her.
- The contract is not on file with University Human Resource Office or with the College of Education. The Director was the only one with a copy of the contract at the time of our review.

#### Recommendations:

Improve management oversight of contract terms by ensuring extra private practice sessions are preapproved and the monthly report is reviewed and compared to fees paid to the University. Additionally, consult with the University's General Counsel to update contract terms to ensure the University is adequately protected with malpractice insurance. Finally, a copy of the contract should be on file with the College of Education and in the Director's personnel file with the Office of Human Resources.

#### Management Response

*The current language of the contract for the Clinic Director is outdated and needs to be changed to better reflect current practice and University policy. We are in the process of working with the University's General Counsel to update the language within the contract. Once finalized the contract will be submitted to Human Resources to be included in the Clinic Director's personnel file. The Department Head has received and reviewed the Clinic Director's monthly reports since August 30, 2018.*

### 2. Accounting Records and Controls

- A. Streamlining the accounting records could save time and reduce errors. While the Director has implemented detailed record keeping procedures, the records are cumbersome and document duplicate information. Records include:
- A Clinic Daily Activity Log documents client's name, counselor, appointment time, fee amount based upon client agreement, as well as a column indicating whether the client paid or not.

- A Fee Collection Ledger documents client name, receipt number, mode of payment and amount collected.
- A Fee Collection spreadsheet documents the date, receipt number, mode of payment, amount paid, type of income source as well as when the deposits were made with the MSU Bursar.

Our review also noted some minor instances where information recorded on one record did not agree with another record. Streamlining the reports from three separate reports down to only one or two reports could save time as well as reduce errors. For example, the Fee Collection Ledger could be discontinued if the receipt slip information was added to the activity log.

- B. Money received should be deposited more timely. Deposits are made with the University's Bursar's Office only about every two weeks, and money received before Christmas break was not deposited for up to 47 days. The University's Operating Policy 8.04 Cash Handling Procedures states that cash collected (over \$50) must be deposited at the Bursar's Office within one business day after collection/receipt of such money.
- C. Before services are provided, clients sign a payment agreement documenting how much the client will pay for the services. Clients pay varying amounts based upon their ability to pay. Although a majority of the clients pay their agreed upon amount, some clients paid differing amounts or not at all. Occasionally clients are requested to submit a revised payment agreement; however, in most instance there was no documentation to explain why amounts paid differed from payment agreements. To ensure amounts paid are accurate, receipt records should be compared to client payment agreements and any differences should be documented either by obtaining a new payment agreement signed by the client or a documented explanation of the difference by the Clinic Director.
- D. Duties are not adequately segregated. The Graduate Assistants provide the counseling services, collect payments from clients, issue receipt slips and post payments to the accounting records. University Operating Policy 8.04 requires a separation of duties between the person receiving the cash and the person responsible for maintaining the accounting records. This is necessary to ensure all transactions are accounted for properly. We noted four days during fiscal year 2018 where little to no payments were collected even though clients who typically pay received services. The Clinic Director did not have an explanation for the lack of payments and said it was "very odd." Adequately segregating duties and implementing a supervisory review of the receipt slips and accounting records by the Director would help to ensure all monies received are properly recorded and deposited.

**Recommendations:**

- A. Consider streamlining accounting records to save time, prevent duplication, and avoid discrepancies between records.
- B. Ensure deposits are made on a timely basis in compliance with University policy.
- C. Ensure amounts paid by clients agree to client payment agreements. Any differences should be documented and explained.
- D. Establish adequate segregation of duties in compliance with University policy and ensure receipt records and accounting records are reviewed by the Clinic Director.

**Management Response**

- A. *We have added an additional column to our accounting spreadsheet to eliminate the duplication of effort and we have eliminated the receipt log book.*
- B. *All funds are now taken to the Bursar's Office when received in accordance with University Policy.*

- C. The client's payment agreement is reviewed after the second time there is a discrepancy in the amount agreed upon. The agreement is then updated if needed. An additional column has also been added to the accounting spreadsheet to note the reason the client has an amount discrepancy.*
  
- D. The Clinic Director now reviews all amounts collected by graduate assistants working in the clinic.*