

# **CAPITAL AREA HUMAN SERVICES DISTRICT**

LOUISIANA DEPARTMENT OF HEALTH

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Procedural Report**  
**Issued September 10, 2025**

**LOUISIANA LEGISLATIVE AUDITOR  
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# Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Capital Area Human Services District



September 2025

Audit Control # 80250016

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## Introduction

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The primary purpose of our procedures at the Capital Area Human Services District (CAHSD) was to evaluate certain controls CAHSD uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. In addition, we determined whether management has taken action to correct the finding reported in the prior report.

## Results of Our Procedures

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We evaluated CAHSD's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of CAHSD's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to information technology access, the patient billing cycle, accounts receivable, movable property, and professional service expenditures.

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### Follow-up on Prior-report Finding

We reviewed the status of the prior-report finding in CAHSD's procedural report dated April 11, 2024. The prior-report finding related to Inadequate Monitoring of the Electronic Health Record System Access has not been resolved and is addressed again in this report.

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### Current-report Findings

#### Inadequate Monitoring of the Electronic Health Record System Access

For the second consecutive engagement, CAHSD did not timely terminate employee or contractor access to its electronic health record system (EHR) or perform adequate monitoring of access in accordance with CAHSD policy. As a result, users had inappropriate access to the EHR system.

In a review of 42 employees and contractors terminated during the period of April 30, 2024, through February 10, 2025, 6 (14%) users did not have EHR access removed by CAHSD until 3 to 385 days after termination. In a review of all active users as of February 10, 2025, we identified two employees who had terminated 122 and 520 days prior and one contractor who was no longer under contract but still had access to the system. CAHSD policy 802-11 requires supervisors to immediately submit account deletion requests to the Human Resources Department upon termination of employees and contractors.

In addition, CAHSD lacked adequate controls over its quarterly monitoring of EHR access for terminated employees and contractors. CAHSD policy 810-15 -- which was designed to comply with the HIPAA Security Rule that requires appropriate administrative, technical, and physical safeguards to protect the integrity, confidentiality, and availability of electronic protected health information -- requires the CAHSD-designated personnel to run quarterly EHR audit reports to monitor the electronic access.

CAHSD did not adhere to policies regarding timely deactivation of access nor take appropriate actions to remove access resulting from quarterly monitoring of EHR user access. Lack of controls over access and monitoring increases the risk of errors and fraud in a system that billed and collected approximately \$3.55 million in fees and self-generated revenues annually during fiscal years 2024 and 2025.

CAHSD should ensure the removal of users' access to the electronic health record system immediately upon separation. In addition, CAHSD should ensure compliance with applicable agency policy and HIPAA requirements by strengthening its quarterly monitoring procedures over EHR system user access. Management concurred in part with the finding and provided a corrective action plan (see Appendix A, pages 1-3).

### **Weaknesses in Controls over Movable Property**

CAHSD employees did not ensure that all purchases of movable property were properly tagged and recorded in the state property system in accordance with CAHSD's movable property policy. Failure to comply with CAHSD's movable property policy could result in inaccurate financial reporting and increases the risk that assets may be misreported, lost, or stolen.

Our procedures over movable property disclosed the following:

- In a test of 13 assets acquired between July 1, 2023, and March 25, 2025, 4 of the assets (31%) totaling \$368,780 were not timely entered into the state property system, ranging from 64 to 378 days after the required 60-day period; 6 of the assets (46%) totaling \$149,987 did not have the correct descriptions of the assets in the state property system; and 1 of the assets (8%) costing \$1,425 was not properly tagged with the appropriate LPAA asset tag.

- In a review of the general ledger and on-site inspections for completeness of the state property system records, we noted 12 assets totaling \$24,589 that were not recorded in the state property system and were not tagged. We noted one additional item for \$1,428 that although recorded in the state property system, included an incorrect description and was also not tagged.

CAHSD management failed to ensure CAHSD personnel followed established policies and procedures. CAHSD's movable property policy requires that all movable property having an original acquisition cost of \$1,000 or more be tagged with a uniform state of Louisiana identification tag, and all pertinent inventory information be entered in the LaGov ERP system within 60 calendar days after receipt of the item.

CAHSD management should provide supervisory oversight to ensure movable property records are accurate, complete, and timely entered into the state property system, including correct acquisition costs and descriptions. Management should also ensure that assets are properly tagged. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 4-5).

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### **Information Technology Access**

We obtained an understanding of CAHSD's controls over the access to the EHR system, evaluated the monitoring of the system access, and reviewed appropriate employee access. Based on the results of our procedures, we found that CAHSD did not have adequate controls over monitoring system access to the EHR system to ensure appropriate access was maintained (see "Inadequate Monitoring of the Electronic Health Record System Access" in the Current-report Finding section).

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### **Patient Billing Cycle**

CAHSD maintains all patient information in its CareLogic Electronic Health Record system. This includes insurance and financial information, service documents, billings, denials, receivables, and payments. We reviewed CAHSD's policies and procedures and obtained an understanding of CAHSD's controls surrounding the complete billing cycle. For a sample of 25 billable patient services performed for the period of July 1, 2023, to March 17, 2025, we verified that CAHSD did all of the following, if applicable:

- Documented service performed;
- Billed properly for the service performed;
- Billed timely for the service performed;
- Worked all denials to ensure maximum payment;

- Properly adjusted all claims requiring a contractual adjustment;
- Posted payments to the patient's account; and
- Agreed payments posted to the patient's account to the payment detail and the bank deposit.

Based on the results of our procedures, CAHSD had adequate controls in place to ensure that services performed are documented and billed, denials are worked, payments and related contractual adjustments are posted to patient accounts, payments agree to the payment detail, and payments reconcile to the payment detail and the bank deposit.

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### **Accounts Receivable**

Amounts for which services have been delivered but payments have not been received are accounts receivable. CAHSD is required to report accounts receivable balances to the Office of Statewide Reporting and Accounting Policy (OSRAP) on a quarterly basis per Louisiana Revised Statute 39:79. This reporting is completed through Louisiana Department of Health (LDH). CAHSD provides the quarterly information to LDH for its submission to OSRAP. We obtained and documented an understanding of CAHSD's accounts receivable reporting procedures and monitoring balances for the period of 07/01/2023 – 03/31/2025. Based upon the results of our procedures, CAHSD had adequate controls to report and monitor account receivable balances.

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### **Movable Property**

CAHSD uses the property management module in the state's LaGov system to record the purchase and disposal of movable property. We obtained an understanding of CAHSD's controls over movable property, reviewed assets that are required to be tagged, and ensured timeliness and compliance with CAHSD policy. Based on the results of our procedures, we found that CAHSD had a weakness in controls over ensuring that assets are properly tagged and entered into the State's movable property system (see "Weaknesses in Controls over Movable Property" in the Current-report Finding section).

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### **Professional Service Expenditures**

Professional service contracts comprised approximately 15% of CAHSD's expenditures in both fiscal years 2024 and 2025 (July 1, 2023, through February 28, 2025). We obtained an understanding of CAHSD's controls over professional service contracts and selected a sample of 20 contract expenditures for the period of 07/01/2023 – 02/28/2025 to determine if expenditures were reasonable and in

compliance with the provisions of each contract. Based on the results of our procedures, professional service contract expenditures were reasonable and in compliance with the provisions of the contracts.

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**Trend Analysis**

We compared the most current and prior-year financial activity using CAHSD's Annual Fiscal Reports and/or system-generated reports and obtained explanations from CAHSD's management for any significant variances.

Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

JDS:EBT:BH:BQD:ch

CAHSD2025





## **APPENDIX A: MANAGEMENT'S RESPONSES**

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**CAPITAL AREA HUMAN SERVICES  
ADMINISTRATION**

*Mission: To deliver caring and responsive services, leading to a better tomorrow.*

September 03, 2025

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Re: CAHSD-Inadequate Monitoring of Electronic Health Record System Access

Dear Mr. Waguespack,

We concur, in part, with the finding, 'CAHSD-Inadequate Monitoring of Electronic Health Record System Access' as we did not terminate employee or contractor access timely to our electronic health record system (EHR) for a second consecutive engagement. However, CAHSD feels that it did comply with performing adequate monitoring of access in accordance with agency policy as we did, in fact, run quarterly EHR audit reports to monitor the electronic access. As these monitoring reports were quarter specific, they failed to capture any access that should have been terminated in previous quarters; thereby resulting in access by terminated individuals in excess of 120 and up to 520 days.

As a corrective action plan; we will retrain all involved parties on the following policies and their roles and responsibilities as is outlined in these policies, with added emphasis on those items outlined below no later than September 20, 2025. We will hold the respective Senior Managers responsible for compliance accountable by use of progressive disciplinary action as is deemed appropriate. We will continue to audit on a quarterly basis but will modify our quarterly reporting to span one hundred and eighty (180) days for each quarter reporting (i.e. the Quarter Report ending June 30, 2025 will cover the period January 01, 2025 through June 30, 2025). In addition, once the quarterly report is complete, a list of all individuals having access to the EHR will be forwarded by the EHR Administrator to the HR Director for review and confirmation that all individuals currently having access are actively employed or contracted with CAHSD.

Also, as an added measure to ensure non-CAHSD users are in compliance, the EHR Administrator will send an user verification request to the Genoa clinic managers on a bi-weekly basis to confirm that all users are currently employed.

**CAHSD policy #802-11 Adding/Deleting User Accounts**

**C. Adding/Deleting Users in the Electronic Health Record**

1. Upon hiring new employees, contract providers, interns or residents, **the Human Resources Director, or their designee, will send an email notification to the EHR Administrator, or their designee,**

**CAHSD Administration**

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Outpatient Treatment: Mental Health (Adults)  
Outpatient Treatment: Mental Health (Children and Adolescents)  
Outpatient Treatment: Substance Use Disorders/Addictions (Adults)  
Outpatient Treatment: Substance Use Disorders/Addictions (Children and Adolescents)  
Residential Treatment: Substance Use Disorders/Addictions (Adults)

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including name, official position title, work location, supervisor and effective hire date for creation of a new User ID in the Electronic Health Record.

2. The EHR Administrator, or their designee, based on job title and functions of the new user will determine the need for access to the Electronic Health Record. If access is warranted, a new User ID with the appropriate credentials will be created during employee orientation. Account information and training on accessing and using the Electronic Health Record is provided during new employee orientation.

3. **Upon termination of an employee, contract provider, intern or resident, the Human Resources Director, or designee, will send an email notification to the EHR Administrator, or their designee, informing them of the effective termination date and requesting the user's account be deactivated in the Electronic Health Record.**

4. **The EHR Administrator notifies the Human Resources Director, or their designee, that the account has been deactivated.**

5. **If the Human Resources Director, or their designee, has not received notification that the account has been deactivated no later than the next business day following the date the account should have been deactivated, a reminder is sent to the EHR Administrator, or their designee, by the Human Resources Director, or their designee.**

#### **D. Managing Users in the Electronic Health Record**

Ongoing management of users in the Electronic Health Record will be a combined effort between the EHR Administrator, or their designee, and the Human Resources Director, or their designee. The Human Resources Director will provide a list of all terminated employees, contract providers, interns and residents to the EHR Administrator on a bi-weekly basis for verification that these individuals no longer have access to the EHR.

The Human Resources Director, IT Director and EHR Administrator shall be copied on all communications concerning adding and deleting user access, as is appropriate to ensure timely compliance.

### **CAHSD Policy 810-15 Electronic Health Record Security**

**We have clearly defined roles and responsibilities in the policy.**

**EHR Administrator** – the individual responsible for working with the Privacy Officer for the development and implementation of policies and procedures required by the HIPAA Security Rule **as it relates to the EHR** for the agency. The EHR Administrator maintains electronic access by employees and contractors, manages security profiles and *conducts the quarterly EHR Audit*.

**HIPAA Security Officer** - the individual(s) responsible for the development and implementation of policies and procedures governing **creating, receiving, using and maintaining ePHI in the agency Information Technology Network and protecting said ePHI through restricting access by CAHSD employees and other personnel in compliance with the HIPAA Security Rule and HIPAA Privacy Rule**. At the CAHSD, the **Information Technology Director** and the **Human Resources Director** shall share the roles and

responsibilities of this function as it relates to their respective departments and will *jointly conduct the annual ONC Risk Assessment Audit*.

**HIPAA Privacy Officer (Corporate Compliance Officer)** – the individual who routinely handles protected health information, designated by an organization to develop, implement, and oversee the organization's compliance with the U.S. Health Insurance Portability and Accountability Act (HIPAA) privacy rules. Privacy officers ensure the privacy of private healthcare information among the beneficiary and their providers, and protect such private health information from unauthorized access. They also oversee all activities related to the development, implementation, maintenance, and adherence to the covered entity's policies and procedures. Privacy officers allow access to patient health information only in compliance with federal and state laws and the healthcare organization's information privacy practices.

The EHR Administrator has removed all users that are no longer employed/contracted by CAHSD.

The EHR Administrator and HR Director, under the director of the CAHSD Deputy Director, Ms. Shaketha Carter, will be responsible for ensuring implementation of this corrective action plan and continued compliance with EHR, ePHI and HIPAA Security Rule and Privacy Rule policies.

Sincerely,

  
Jazlean Laughinghouse, Ph.D., LCSW-BACS, LAC, CCS  
Executive Director

Copy: Shaketha Carter, Deputy Director  
Dr. Joi Plain, EHR Administrator  
Tony Square, HR Director  
Linda Roquemoire, Accountant Administrator



**CAPITAL AREA HUMAN SERVICES  
ADMINISTRATION**

*Mission: To deliver caring and responsive services, leading to a better tomorrow.*

August 26, 2025

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Re: CAHSD-Weaknesses in Controls over Moveable Property

Dear Mr. Waguespack,

We concur with the finding "CAHSD – Weaknesses in Controls over Moveable Property," specifically the failure to tag and accurately inventory property within the mandated 60 calendar days utilizing the appropriate LPAA asset tag.

CAHSD has experienced high staff turnover in this area over the past few years which has exacerbated our property control issues; resulting in items not being tagged, not being described properly and not being entered in the asset management system within the 60 day timeframe.

As a corrective action plan, the description for the six assets totaling \$149,987 (including four trailblazers and a 12 passenger van) have been updated to reflect the correct VIN# and pricing where applicable. On today, a representative from LPAA was onsite assisting with our annual property certification. While on site they provided guidance on how to enter and accurately describe assets. Once the annual certification is complete, we will begin entering the 12 assets totaling \$24,589 into the state property system as well as printing and affixing the appropriate LPAA property tag. The description for the asset totaling \$1,428 has been updated to reflect "ESI ESIP 50X."

The current Property Manager completed the LPAA Fleet training on August 5, 2025 and the LPAA Property Manager training on August 7, 2025. All relevant CAHSD staff will complete the Louisiana Property Assistance Agency (LPAA) Property Training Course by November 20, 2025. In addition, the agency will ensure that all applicable personnel attend ongoing training and periodic refresher courses to reinforce understanding and compliance with property management requirements.

**CAHSD Administration**

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Residential Treatment: Substance Use Disorders /Addictions (Adults)

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CAHSD (with the assistance of LPAA) has identified and purchased a printer and supplies that will enable the agency to print and apply the appropriate LPAA asset tag immediately upon receipt of property. Once the printer has been installed, the appropriate LPAA tag will be printed and affixed to the asset costing \$1,425, described as a Motorola Two-way radio set.

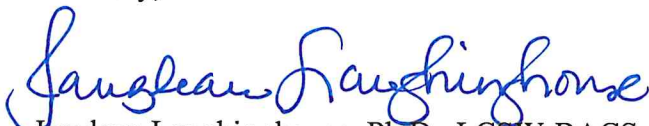
To further strengthen oversight, supervisory responsibility will be assigned to the Accountant Administrator, Linda Roquemore. Ms. Roquemore brings 18 years of procurement experience, including direct service as a Property Manager. Her deep understanding of the interconnected functions of procurement and property control will be instrumental in developing and implementing enhanced procedures that promote effective communication and coordination among the procurement, receiving, and finance sections. These improvements will help ensure that acquisition costs and item descriptions are accurately recorded at the time of entry and within the required 60-day timeframe.

CAHSD is fully committed to meeting all state property management requirements and implementing sustainable practices to ensure asset records are accurate, complete and entered timely. We recognize the critical importance of maintaining detailed and compliant records of all moveable property to ensure accountability and adherence to state regulations.

The CAHSD Accountant Administrator, Linda Roquemore, under the direction of Deputy Director, Ms. Shaketha Carter will be responsible for ensuring implementation of this corrective action plan and continued compliance with the moveable property policy.

These corrective actions, combined with ongoing staff training and oversight, will help ensure long-term compliance with state property management policies.

Sincerely,



Janzlean Laughinghouse, Ph.D., LCSW-BACS, LAC, CCS  
Executive Director

Copy: Shaketha Carter, Deputy Director

Linda Roquemore, Accountant Administrator





## APPENDIX B: SCOPE AND METHODOLOGY

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We performed certain procedures at the Capital Area Human Services District (CAHSD) for the period from July 1, 2023, through June 30, 2025. Our objective was to evaluate certain controls CAHSD uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review the CAHSD's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The CAHSD's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated CAHSD's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to CAHSD.
- Based on the documentation of CAHSD's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures relating to information technology access, the patient billing cycle, accounts receivable, movable property, and professional service expenditures.
- We compared the most current and prior-year financial activity using CAHSD's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from CAHSD's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at CAHSD, and not to provide an opinion on the effectiveness of CAHSD's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purpose.