

Summary of Reports Issued and Recommended Committee Action

December 1, 2016 to July 31, 2017

Presentation to Joint Audit Committee

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Reports Issued December 1, 2016 to July 31, 2017

Summary

Total Reports Issued	35
Reports Recommended for Action	2

<u>Agency</u>	<u>Recommended Action</u>
1. State Board of Elections	JAC Letter of Concern
2. Department of Health and Mental Hygiene – Regulatory Services	JAC Letter of Concern

Summary of Recommended Action

Joint Audit Committee (JAC) Hearing	0
JAC Letter of Concern	<u>2</u>
Total	<u><u>2</u></u>

**REPORTS ISSUED
DECEMBER 1, 2016 TO JULY 31, 2017**

<u>Agency</u>	<u>Report Date</u>	<u>Number of Pages</u>
Department of Veterans Affairs	12/01/16	14
Maryland Tax Court	12/01/16	5
Office of People's Counsel	12/07/16	5
Department of General Services – Office of Procurement and Logistics	12/07/16	21
Public Service Commission	12/08/16	5
Department of State Police – Workforce Civilianization (Special)	12/28/16	32
Maryland State Board of Contract Appeals	1/11/17	5
Maryland Energy Administration	1/11/17	8
Maryland Transportation Authority	1/12/17	6
Cecil County – Office of the Clerk of Circuit Court	1/20/17	5
Maryland Higher Education Commission	1/20/17	21
Statewide Review of Budget Closeout Transactions for Fiscal Year 2016 (Special)	1/25/17	16
Maryland Emergency Medical System Operations Fund	1/31/17	27
Cecil County – Office of the Register of Wills	2/09/17	5
Maryland African American Museum Corporation	2/09/17	11
Comptroller of Maryland – Field Enforcement Division	2/10/17	5
Charles County Public Schools (Financial Management Practices Audit)	2/13/17	31
Maryland Department of Aging	3/09/17	11
Financial Management Information System – Centralized Operations	3/13/17	6
Maryland Health Insurance Plan	3/23/17	6
Review of the Actions Taken by the Department of Human Resources – Local Department Operations to Resolve Repeat Audit Findings in Response to the April 2016 Joint Chairmen's Report (Special)	4/04/17	12
Review of the Actions Taken by the Department of Human Resources – Family Investment Administration to Resolve Repeat Audit Findings in Response to the April 2016 Joint Chairmen's Report (Special)	4/05/17	13
Comptroller of Maryland – Compliance Division	4/10/17	12
Maryland Stadium Authority	4/10/17	6
Maryland Department of Planning	4/12/17	4
Frederick County – Office of the Register of Wills	4/17/17	5
Frederick County – Office of the Clerk of Circuit Court	4/18/17	5
State Board of Elections	4/24/17	18
Department of Health and Mental Hygiene – Regulatory Services	4/26/17	24
Judiciary	5/08/17	16
Worcester County Public Schools (Financial Management Practices Audit)	6/06/17	39
Prince George's County – Office of the Register of Wills	7/06/17	5
Department of Natural Resources	7/12/17	15
Maryland Legal Services Corporation	7/19/17	5
Cecil County Public Schools (Financial Management Practices Audit)	7/26/17	34

Total Number of Reports Issued: **35**

Reports Recommended for Committee Action
Significant Audit Findings
December 1, 2016 to July 31, 2017

1) State Board of Elections (SBE) (4/24/17 – 18 pages – 8 Findings)

- SBE did not ensure the accuracy of the data recorded in the Statewide voter registration system (MDVOTERS) or whether related user access to the system was appropriate. Specifically, SBE did not verify that local boards of election (LBEs) properly investigated individuals appearing on monthly reports of possible ineligible voters and took appropriate corrective action. For example, a January 2016 report included 5,871 voters registered in Maryland who may be deceased. In addition, SBE did not verify that LBEs reviewed their employees' user access nor did SBE conduct any reviews of the propriety of user access granted to MDVOTERS. Our review of user access records found numerous users that had potentially unnecessary user access, including 619 usernames that had no login activity in the last six months.
- SBE did not ensure that personally identifiable information (PII) from the MDVOTERS database provided to a third party entity was properly safeguarded. The data included the name, date of birth, driver's license number, and last four digits of the social security number for each registered voter in Maryland, which under State law is defined as PII. Our review disclosed that SBE did not require independent reviews be performed of the third party entity or the entity's contractor to ensure the Maryland voter data provided to these parties was secure. PII was also unnecessarily retained by SBE within its MDVOTERS database, consisting of names and full social security numbers for over 592,000 voters as of August 2016.
- SBE did not adequately authenticate certain voters who requested absentee ballots during the primary and general elections.
- The Electronic Pollbook Interchange and Conversion (EPIC) system was not backed up offsite and was not properly addressed in the SBE Disaster Recovery Plan. EPIC is a critical voting system used to identify citizens who have voted in a particular election (including early voting) and is also used for the same-day voter registration process during early voting.
- Certain internal control and recordkeeping deficiencies were noted related to the procurement of contracts and the monitoring of certain payments. For example, for two contracts tested, awarded as single sources and valued at \$18.8 million, SBE could not support the awards were in the State's best interest.

Recommended Committee Action – Letter of Concern

Reports Recommended for Committee Action
Significant Audit Findings
December 1, 2016 to July 31, 2017

2) Department of Health and Mental Hygiene – Regulatory Services (4/26/17 – 24 pages – 8 Findings)

Regulatory Services consists of the following entities: Health Professional Boards and Commissions (comprising 17 individual boards and 2 commissions), the Board of Nursing, the Board of Physicians, and the Office of Health Care Quality (OHCQ). These entities are responsible for licensing and regulating health professionals (such as physicians, nurses, and pharmacists) and health care facilities in the State.

- The Board of Professional Counselors and Therapists did not properly track and monitor complaints received against licensees, resulting in complaints not being investigated and submitted to the Office of the Attorney General (OAG) for administrative and/or criminal action in a timely manner. We noted untimely action for 9 of the 15 complaints we tested, including 3 complaints that had not been submitted to OAG even though the Board recommended that these complaints should have been referred to OAG for administrative action (including license revocation) at least ten months earlier. As of November 2016, 136 complaints were still under investigation or not yet investigated, including 91 that had been open for more than one year.
- The Maryland Medical Cannabis Commission (MMCC) improperly procured consulting and license application evaluation services for medical cannabis growers, processors, and dispensaries through interagency agreements with a State university. The structure and use of the interagency agreements resulted in a circumvention of competitive procurement and control agency approvals, as well as a lack of assurance that these services were obtained at the most advantageous cost to the State. For example, MMCC significantly understated the number of applications to be evaluated, resulting in an increase in the value of the agreements from \$545,000 to \$2.4 million, and relied on the university to renegotiate prices with the hired evaluators without ensuring the cost increases were reasonable.
- The Board of Nursing did not always take timely action to suspend the licenses of delinquent noncustodial parents referred by the Child Support Administration as required by State law. In addition, as noted during prior audits, OHCQ had not performed annual inspections for a number of licensed assisted living facilities and facilities for the developmentally disabled as required by State law.
- Certain boards and commissions had not established adequate controls over cash receipts. For example, 17 of the boards and commissions did not ensure that employees who handled collections were denied the capability to issue or renew licenses in the electronic licensing systems.
- Certain controls over the information systems used by three boards were not sufficient to protect critical licensee data.

Recommended Committee Action – Letter of Concern
