



FLORIDA DEPARTMENT OF HEALTH
OFFICE OF INSPECTOR GENERAL

REVIEW OF GENERAL CONTROLS AT CHDs AND CMS AREA OFFICES

Report # R-1213DOH-014 • April 9, 2014

Purpose of this project:

We wanted to determine whether county health department (CHD) and Children's Medical Services (CMS) area office management implemented required controls over such areas as property, information security, incident reporting, safety paper, cash, pharmaceuticals, and medical records and other personal client information.

The intent of this summary report is to apprise Central Office management of the more prevalent issues discovered during our review. This report includes only the issues we identified that occurred with high frequency or that we considered a critical issue even though the issue may have been identified at only one or two sites. It is hoped Central Office management will use this report as a teaching tool to discuss these issues with all CHDs and/or CMS area offices in an effort to invoke improvements throughout the Department of Health (Department).

What we reviewed:

We visited 19 CHDs and six CMS area offices in 2013 to analyze selected controls as of the date of our site visit. We visited the Department in Broward, Charlotte, Clay, DeSoto, Flagler, Franklin, Hillsborough, Holmes, Jefferson, Marion, Martin, Miami-Dade, Orange, Palm Beach, Polk, Santa Rosa, Seminole, Wakulla, and Walton counties and the Panama City, Tallahassee, Fort Lauderdale, Jacksonville, Orlando, and West Palm Beach CMS area offices.

In totality, our visits included a review of controls over fixed assets, surplus property, sanitization of old computer equipment, the annual *Information Security and Privacy Risk Assessment* (Risk Assessment), secured areas, regular backups of data, incident reports, safety paper, cash controls, security of the Health Management System (HMS), including whether roles assigned to those granted access to HMS are appropriate, background checks, access to medical records, pharmaceuticals in dental clinics, and pharmaceuticals in licensed pharmacies and drug closets. Each individual visit may have included a review of only a portion of the functions listed above as the review was specifically designed to allow for flexibility and the ability to adapt to the local environment.

We subsequently discussed all issues identified during our site visits with management of the CHD or CMS area office. We did not request a formal corrective action plan from the sites we visited. Our intent was to provide more of a quality improvement review to assist CHDs and CMS area offices with compliance with Department policies.

ISSUES AND RECOMMENDATION

The following issues reflect areas that should be addressed by Central Office management to assist CHDs and CMS area offices improve controls and achieve more uniform compliance with Department policies and procedures and/or state regulations.

FIXED ASSETS

- Property custodian responsibilities were not included in the *Position Description* of 11 CHD directors/administrators and two CMS area office administrators (in their responsibility as Property Custodian) and three Property Custodian's Delegates (where delegated) as required by Department policy. DOHP 250-11-12, *Management of State Property*, explains "property custodian...responsibilities must be included on the property custodian's and the property custodian's delegate's position description," so that roles and responsibilities are clearly defined.

- The Property Custodian's Delegate and the Inventory Taker responsibilities were assigned to the same person at two CHDs. Department policy requires these responsibilities to be assigned to two separate persons to avoid a conflict of interests. DOHP 250-11-12, *Management of State Property*, explains "the property custodian is responsible for designating an inventory taker...and cannot conduct the annual physical inventory, but can assist." The objective is to separate responsibility for verification of the presence of these assets from the person assigned responsibility for custody of the same assets.
- Three CHDs and one CMS area office had not conducted a recent annual physical inventory of fixed assets. DOHP 250-11-12, *Management of State Property*, explains, "The inventory taker is responsible for conducting the annual inventory." Missing assets can more readily be identified when verification of assets is performed timely.
- In the two instances where there was a recent change in the CHD director/administrator at the sites we visited, a special physical inventory was not taken during the change as required by Department policy in keeping with Chapter 69I-72, *Florida Administrative Code* (FAC). In failing to take inventory of assets during the transition of management, new management had no benchmark for the assets for which they were assuming responsibility. Rule 69I-72.006, FAC, explains, "Each custodian shall ensure that a complete physical inventory of all property under the control of the custodian or custodian's delegate is taken whenever there is a change of custodian or custodian's delegate."
- Seven CHDs and one CMS area office did not record all required assets in the Department's *Asset Manager System* and did not keep the system current. We noted that information technology (IT) equipment and cell phones were not always in the *Asset Manager System*. DOHP 250-11-12, *Management of State Property*, explains, "[a]ll [Department of Health] offices, including CHDs, are required to record IT assets in the property management system, regardless of value." Central Office cannot identify its current IT resources without having such information stored in one central database.

RISK ASSESSMENT, SECURED AREAS, AND CONTINGENCY PLANNING

- Four CHDs and four CMS area offices did not have their own local information security and privacy procedures as required by Department policy. We also identified another six CHDs and one CMS area office did not document local designated secured areas in their procedures; however, their Risk Assessment indicated that they did. DOHP 50-10-10, *Information Security and Privacy*, explains "[e]ach...CHD [and] CMS area office...must have written local information security and privacy procedures." Furthermore, DOHP 50-10e-10, *Secured Areas and Physical Security Procedures*, explains "[e]ach designated secured area shall be documented in the local information security and privacy procedures." It is important that each CHD and CMS area office have its own documented procedures, including designated secured areas, which more specifically address the local environment under which that office operates.
- Backups of data were not stored offsite at four CHDs and two CMS area offices, but management of these sites indicated in their Risk Assessment that backup data **was** stored offsite. One System Administrator took the backup data device home at night, which is not considered safe offsite storage. This added further risk to the potential loss of confidential information either from the System Administrator's vehicle or his residence. DOHP 50-10m-10, *Contingency Planning*, explains the Department "requires the use of at least two (2) sets of back up storage media...to be used in rotation, one of which should be stored offsite, at a separate, secure, accessible, and fireproof location at least several city blocks away from the system being backed up."

INCIDENT REPORTING

- Eleven (11) CHDs and one CMS area office classified some incidents as Category One (non-serious) that should have been classified as Category Two (serious) and reported to Central Office for appropriate risk management. Electing to classify incidents as Category One meant the information remained at the local level. DOHP 5-6-08, *Incident Reporting*, provides examples of Category One and Category Two incidents.

SAFETY PAPER

- Five CHDs were not performing a monthly inventory of Safety Paper and documenting it as required by Department policy. The *Chief Deputy Registrar Operations Manual* requires that “[a] regular inventory of **all** safety paper must be performed and recorded on the **Safety Paper Inventory Log**. It must be done at the same time each month...” Any missing Safety Paper can more readily be identified, researched and reported when accounted for on a frequent and regular basis.

ACCESS TO HMS

- Eight CHDs had not terminated access to employees that had either left the Department or had moved to another county. DOHP 50-10n-10, *Information Resource Management Security*, explains “[a]ccess to data and information systems must be controlled to ensure only authorized individuals are allowed access...” The risk of inappropriate use of personal information is reduced when persons that no longer have a need-to-know responsibility have their access removed.
- Eight CHDs created access accounts that were not traceable to an individual. Examples included “Helper, Help A”; “User,Hills X”; “Registry,User R”; “Basic User X”. DOHP 50-10n-10, *Information Resource Management Security*, explains “[a]dministrative account activities will be traceable to an individual.” When multiple persons are granted access to data under pseudo identifiers, it becomes increasingly difficult to identify possible inappropriate activity to a specific person.

PHARMACEUTICALS IN DENTAL CLINICS

- Seven CHDs were not conducting a monthly physical count of inventory and did not maintain an inventory record of drugs in the dental clinic in accordance with Department policy. Technical Assistance Guide (TAG) 325-11-12, *Inventorying and Recordkeeping of Medicinal Drugs...in [CHD] Dental Programs*, explains, “an individual manual inventory control or electronic record form must be established and maintained for each drug in stock.” Maintaining a perpetual record of increases and use of inventory, and regular verification of the presence of such inventory allows dental staff to more adequately identify its inventory and any missing items.

OUTDATED PHARMACEUTICALS

- Four CHDs had not quarantined outdated pharmaceuticals. One CMS area office continued to store outdated insulin brought in by a physician that had not properly disposed of the inventory. DOHP 395-1-12, *Public Health Pharmacy Policies and Procedures for County Health Departments*, explains, “Expiration dates for pharmaceuticals will be checked in CHDs without a licensed pharmacy at least monthly. All outdated products will be removed and segregated from regular stock and placed in the appropriate designated quarantine area.” Although the policy does not anticipate inventory at CMS area offices, such offices should be mindful of such items in their buildings.

WE RECOMMEND

Executive Management at Central Office (The Office of Deputy Secretary for Statewide Services and the Director, Division of CMS) should review issues identified during this review with all their CHDs and CMS area offices so that all local offices (CHDs and CMS area offices) are encouraged to ensure such controls are in place.

SUPPLEMENTAL INFORMATION

Section 20.055, *Florida Statutes*, charges the Department's Office of Inspector General with responsibility to provide a central point for coordination of activities that promote accountability, integrity and efficiency in government.

The review team leader was Mark H. Boehmer, CPA, and the review was supervised by Michael J. Bennett, CIA, Director of Auditing. Other auditors participating on the team for this review included Tony Hernandez, CISA, CIA; Kim Rolfe, CGAP; and Michelle L. Weaver, CISA.

Our methodology included reviewing applicable law, policies and procedures, and visiting selected CHDs and CMS area offices to interview personnel, inspect facilities, observe operations, and review documentation.

This project was not an audit, as industry-established auditing standards were not applied. Internal Audit Unit procedures for the performance of reviews were followed and used during this project.

We want to thank management and staff of each of the CHDs and CMS area offices for providing their cooperation and assistance to us during the course of this review.

CONTACT INFORMATION

Copies of final reports may be found on our website at:

<http://www.floridahealth.gov/public-health-in-your-life/administrative-functions/inspector-general/index.html>

Questions or comments related to the information provided in this report should be addressed to the Director of Auditing, Florida Department of Health by the following means:

Address: 4052 Bald Cypress Way, Bin A03,
Tallahassee, FL 32399

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APPENDIX A: MANAGEMENT RESPONSE

	Recommendation	Management Response
1	<p>Executive Management at Central Office (The Office of Deputy Secretary for Statewide Services and the Director, Division of CMS) should review issues identified during this review with all their CHDs and CMS area offices so that all local offices (CHDs and CMS area offices) are encouraged to ensure such controls are in place.</p>	<p>We concur.</p> <p>The Office of the Deputy Secretary for Statewide Services concurs with the findings and will review the findings and recommendations with each of the identified CHDs.</p> <p>Contact: C. Meade Grigg, Deputy Secretary for Statewide Services</p> <p>Anticipated Completion Date: April 30, 2014.</p>
1	<p>Executive Management at Central Office (The Office of Deputy Secretary for Statewide Services and the Director, Division of CMS) should review issues identified during this review with all their CHDs and CMS area offices so that all local offices (CHDs and CMS area offices) are encouraged to ensure such controls are in place.</p>	<p>We concur.</p> <p>We will review DOH policy, CMS policies and procedures, and address control issues your office identified with CMS Medical Directors, Nursing Directors, Program Administrators, and the CMS Central Office Management Team during a conference call April 30, 2014.</p> <p>Contact: Charlotte Curtis, RN, BSN, CPM, Interim Director Division of Children's Medical Services</p> <p>Anticipated Completion Date: April 30, 2014.</p>