Purpose of this project:
Review general controls related to a variety of regulatory and policy requirements at selected county health departments (CHD), help local CHD management identify areas where improvements could be made, and identify to Central Office management systemic and/or critical weaknesses that should be addressed from a comprehensive perspective.

What we reviewed:
We visited 32 CHDs between March and June 2018 to analyze selected controls as of the date of our site visit. Our visits included the Department of Health (Department) offices in the following counties: Baker, Bradford, Brevard, Broward, Calhoun, Columbia, Gadsden, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Jefferson, Lake, Leon, Liberty, Manatee, Nassau, Okaloosa, Osceola, Pinellas, Polk, Sarasota, Seminole, St. Lucie, Sumter, Suwannee, Taylor, Union, and Volusia.

We reviewed general controls and requirements related to the following topics: server room security; server room environmental controls; pharmaceuticals; dental clinic controls; disaster recovery & business continuity; patient privacy rights; records retention, archiving, and disposition; information technology resources; building safety and physical security; storage buildings; security of safety paper; cash handling; and client incentives.

Intent of this report:
This report provides summary information and contains only the issues we identified with high frequency or were considered critical.

We discussed with individual CHD management where improvements could be made specific to their facility(ies), and provided a detailed report at the conclusion of each visit. We did not request a corrective action plan from each individual CHD management. Central Office management and CHD management may use this information to further evaluate whether controls are working effectively.

Summary of results:
We are pleased to report we generally observed well-designed processes and effective controls during our visit to each CHD in the following areas: server room doors were locked with reliable locking systems; server rooms temperatures were appropriately regulated; pharmaceutical storage areas were locked with reliable locking systems; pharmaceuticals were stored in clean, well-lighted, and adequately ventilated rooms; pharmaceuticals requiring refrigeration or freezing were properly maintained; CHD dental programs dispensed pharmaceuticals and medical supplies using the shortest expiration date first; unused computer equipment was stored in a secure area; security cameras were properly positioned, captured a clear image, and stored the images for a reasonable amount of time; and employee and client access control throughout the facility were appropriate to mitigate safety issues and information disclosure.

Listed in the "Control Weaknesses and Recommendations" section below are the controls we identified that warrant further review by management. Management's response to the issues noted in this report can be found in **Appendix A**.

CONTROL WEAKNESSES AND RECOMMENDATION

The following issues reflect areas Central Office management and CHD management should discuss to assist in future evaluation and control improvements to help ensure more uniform compliance with state regulations and/or Department policies and procedures, and reduce risks to the Department. Some issues noted are recurring issues mentioned in previous CHD review reports issued by the OIG. Management should pay particular attention to these recurring issues to ensure corrective actions are taken.

1. *Various general controls were found to be deficient or non-existent within the 32 CHDs visited.*

Secured Areas

➢ **Eight CHDs did not document the designated secured server room and 12 CHDs did not document the designated secured pharmaceutical storage area(s) in the local information security and privacy procedures.**
Department Policy (DOHP) 50-10.3-16, Information Security and Privacy Policy 3, *Secured Areas and Physical Security*, explains CHDs "must designate and maintain secured areas to ensure the security and privacy of information and information technology resources. Each designated secured area shall be documented in the local information security and privacy procedures."

This issue was previously noted in two of the four prior year CHD review reports.

Server Security, Environmental Controls, and Disaster Recovery & Business Continuity

➢ **Five of 21 CHDs that had power redundancy (generator) did not have a system to notify management and/or other designated personnel should there be a power interruption. Additionally, four CHDs did not have a thermometer in each server room.**
There is no specific Department policy requirement to implement this control. However, DOHP 50-10.9-16, Information Security and Privacy Policy 3, *Secured Areas and Physical Security*, explains, "Information resources shall be protected from environmental hazards in accordance with manufacturer's specifications." A CHD risks compromising functionality of the servers when temperatures significantly fluctuate above or below the manufacturer's specifications should power be lost over a weekend or holiday and not timely identified.

Best practice guidance recommends separate alarming in order to be notified of critical environmental events in the server room. Best practice guidance also recommends maintaining the temperature of the server room at 72°F (±2°F).

This issue was previously noted in one of the four prior year CHD review reports.

➢ **Four of 23 CHDs we tested had not developed its own local Information Technology Disaster Plan.**
DOHP 50-10.9-16, Information Security and Privacy Policy 9, *Contingency Planning,* explains, "Each…CHD…must develop and adopt a written, cost-effective Information Technology Disaster Recovery Plan."

Pharmaceutical Storage

➢ **Five of 30 CHDs tested had not segregated the ordering, receiving, distribution of, and inventorying of pharmaceuticals duties to the greatest extent possible.**
DOHP 56-14-16, *Internal Control and Review,* explains, "CHDs must segregate duties by personnel in ordering, receiving, handling, prescribing, and dispensing pharmaceuticals to ensure that no one person controls pharmacy processes from beginning to end."

➢ **Four of 31 CHDs tested did not maintain its own written policy and procedures for its pharmaceutical operations and services.**
DOHP 56-14-16, *Internal Control and Review,* explains, "Each CHD must maintain accessible and current policies and procedures for pharmacy operations and services…"

➢ **Four of 32 CHDs tested did not rotate pharmaceuticals on a first-in, first-out basis.**
DOHP 395-1-18, *Public Health Pharmacy Policies and Procedures for County Health Departments,* explains, "CHDs should use drug inventory on a [first-in, first-out] (FIFO) basis, based upon the drug expiration date."

➢ **Six of 32 CHDs tested held expired pharmaceuticals still available for dispensing to clients.**
DOHP 395-1-18, *Public Health Pharmacy Policies and Procedures for County Health Departments,* explains, "Pharmaceuticals rendered unusable from the event (…exceeded manufacturer's expiration date, etc.) shall be kept in quarantine from useable pharmaceutical inventory."

This issue was previously noted in two of the four prior year CHD review reports.

Patient Privacy Rights

➢ **Six of 32 CHDs tested did not have a "Notice of Privacy Practices" prominently displayed in the waiting room/lobby.**
DOHP 50-10.5-16, Information Security and Privacy Policy 5, *Patient Privacy Rights,* explains, "A 'Notice of Privacy Practices' must be prominently displayed."

Eight of 29 CHDs visited that collect clients' Social Security Numbers (SSN) did not provide a written statement to the client to explain whether federal or state law authorizes its collection.
State law [1] requires agencies provide written notification to everyone whose SSN is collected regarding the purpose. DOHP 50-18-15, Information Technology, *Collection, Disclosure, and Safeguarding of Social Security Numbers*, explains "When collecting a SSN from an individual, the Department shall provide that individual with a written statement indicating whether collection of the individual's SSN is authorized under federal or state law."

Central Office management recently approved the new DH8001-IT-01-2017 form (Form DH8001), *Initiation of Services*, to replace Form DH3204, *Initiation of Services.* Form DH8001 was approved to address sufficient notification.

This issue was previously noted in one of the four prior year CHD review reports.

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[1] Section 119.071(5)(3), *Florida Statutes*

➤ **At 10 of 22 CHDs tested, CHD Directors/Administrators did not have documentation to support quarterly reviews are conducted to review users' access to Department systems and applications which store SSNs.**

DOHP 50-18-15, Information Technology, *Collection, Disclosure, and Safeguarding of Social Security Numbers*, explains, "…CHD Directors/Administrators…who have responsibility for employees who have access to Department systems applications which store SSNs, will…[c]onduct [a] quarterly review of all registered users with access to each system/application to…[e]nsure all users are current and active [and] [e]nsure that all user's privileges and rights to personal identifiers are appropriate to their current role with the Department." Office of the Auditor General staff routinely test user access privileges during audits of the Department.

This issue was previously noted in two of the four prior year CHD review reports.

➤ **26 of 31 CHDs tested stored old computer equipment. The stored equipment was not labeled as sanitized at five of the 26 CHDs.**
DOHP 50-10.10-16, Information Security and Privacy Policy 10, *Information Technology Security*, explains, "System Administrators will ensure computer equipment is sanitized properly by using software that ensures no data remains." While labeling is not a specific requirement, the Department risks inappropriate disclosure of information stored on the equipment upon reassignment or surplus without maintaining some type of label or documentation the equipment has been sanitized.

This issue was previously noted in one of the four prior year CHD review reports.

Cash Handling

➤ **Five of 32 CHDs tested did not provide a unique cash box to each individual cashier that was inaccessible to other cashiers.**

This issue was previously noted in two of the four prior year CHD review reports.

At six of 24 CHDs tested, one key opened multiple cash boxes. Also, at one CHD where multiple cashiers worked simultaneously, we discovered the unique cabinet drawers assigned to each cashier to store their cash box during working hours were all keyed the same.

At four of 32 CHDs tested, we observed keys to cash drawers were unattended and/or accessible to others.
DOHP 56-14-16, *Internal Control and Review,* explains, "Each individual cashier must use separate locking cash drawers and/or cash boxes…" CHD management should verify that each cash box, cash drawer, and the cabinet drawers at cashier windows are all keyed differently.

➤ **At five of 32 CHDs tested, cash boxes were not stored in a secure place when not in use.**
Internal Operating Procedure (IOP) 57-07-17, *Cash Handling*, advises that at day's end management must "Secure the cash box or drawer with the staff member who has access to the overnight secure area. For strong internal controls, the cashier should not have access to the overnight secure area."

This issue was previously noted in two of the four prior year CHD review reports.

- ➢ **Five of 27 CHDs tested did not change the combination to the safe when staff with a documented need either left or changed duties.**
  DOHP 56-14-16, *Internal Control and Review,* explains, "Safe combinations must be reviewed and changed when staff members who have safe access leave or change duties."

  This issue was previously noted in two of the four prior year CHD review reports.

- ➢ **At nine of 32 CHDs tested, the mail opener was not independent of the cash collection process.**
  DOHP 56-14-16, *Internal Control and Review,* explains, "The mail opener must be independent of the cash collection process." While some CHDs have limited staff to serve separate functions, compensating controls should be implemented to ensure proper accountability over cash collections.

- ➢ **11 of 30 CHDs tested did not have a written local policy describing the segregation of duties between employees who authorize refunds versus those who disburse funds to complete refunds to appropriate payers.**
  IOP 57-07-17, *Cash Handling*, explains, "Each office accepting receipts will designate in a written local policy the segregation of duties between employees who authorize refunds versus those who disburse funds to complete refunds to appropriate payers." As mentioned earlier, staff limitations at some CHDs may require compensating controls to minimize risks.

Grants Management

- ➢ **Five of nine CHDs we visited that directly applied for and/or received grants had not developed a written policy to ensure compliance with IOP 57-01-16, *Grants Management.***
  IOP 57-01-16, *Grants Management*, explains, "CHDs must develop a grant review process that ensures compliance with [IOP 57-01-16, *Grants Management*]." The Office of Budget and Revenue Management explained CHDs that apply for and/or receive grants locally should have a written procedure or a signed statement that the CHD relies on IOP 57-01-16, *Grants Management*, and the Department's *Grants Management Handbook*.

- ➢ **None of the nine CHDs that directly applied for grants were aware they should forward all grantor audit inquiries to the Department's Federal Compliance and Audit Management Section, and notify the Department's Office of Inspector General before arranging any onsite visit from auditors.**
  IOP 57-01-16, *Grants Management*, explains, "Before connecting with federal or state auditors, it is important for CHDs…to forward all audit inquiries and coordinate with [the Department's Federal Compliance and Audit Management Section] for guidance and consultation." The operating procedure further explains, "… CHDs must notify the Department's [Office of Inspector General] before arranging any onsite visit from auditors."

We recommend Office of Deputy Secretary for County Health Systems management discuss these areas of concern with all CHDs and take actions deemed appropriate to improve statewide operations.

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 making visits to CHDs included Michael J. Bennett, CIA, CGAP, CIG, Inspector General; Mark H. Boehmer, CPA, Director of Auditing; William T. Bull, Senior Management Analyst II; Ashlea K. Mincy, CIGA, Senior Management Analyst II; and Danielle Myrick, Senior Management Analyst II.

Our methodology included reviewing applicable law, policy, and procedure; and visiting selected CHDs 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 CHD visited for providing their cooperation and assistance to us during this review.

Copies of all final reports are available on our website at **www.floridahealth.gov** (**search: internal audit**). If you have questions or comments, please contact us by the following means:

Address:	**Email:**	**Phone:**
4052 Bald Cypress Way, Bin A03, Tallahassee, FL 32399	*inspectorgeneral@flhealth.gov*	*850-245-4141*

APPENDIX A: MANAGEMENT RESPONSE

	Recommendation	Management Response
1	*We recommend Office of Deputy Secretary for County Health Systems management discuss these areas of concern with all CHDs and take actions deemed appropriate to improve statewide operations.*	We concur. The OIG will provide an overview of the CHD General Controls Review during the Department's November 5, 2018 CHD Conference Call. The Office of the Deputy Secretary for County Health Systems management will continue to work with CHDs to assure proper controls are in place. The OIG's report will be distributed to all CHD Health Officers and Business Managers for individual review, and to facilitate regional discussions at CHD Health Officer Consortia and Regional Business Managers meetings. *Contact:* Beth Paterniti, Director Office of Deputy Secretary for County Health Systems *Completed*