Maryland

OFFICE OF THE INSPECTOR GENERAL FOR HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Shelly Marie Martin, Inspector General

TO: Danielle Weber, MS, RN, Health Officer
Somerset County Health Department

FROM: Shelly Marie Martin – *Shelly Marie Martin, OIGH*
Inspector General

DATE: March 13, 2026

RE: Audit Report – Somerset County Health Department

Background

Consistent with State laws and regulations, the Maryland Office of the Inspector General for Health (OIGH) periodically conducts audits of health care providers to ensure that State funds have been expended in accordance with Maryland Department of Health (MDH) guidelines.

Somerset County Health Department (SCHD), located in Westover, Maryland, is a local health department established to preserve and protect the wellbeing of the population by identifying, prioritizing, and addressing health factors that may threaten the health and safety of the community. SCHD seeks to accomplish its mission by working with partners throughout the county and State to:

- Promote and encourage healthy behavior.
- Protect against environmental hazards.
- Assure the quality and accessibility of health services.
- Prevent epidemics and the spread of disease; and
- Respond to disasters and assist communities in recovery.

During the audit period, (July 1, 2020 to June 30, 2023) SCHD received $22,922,500 from MDH in support of its mission.

Results of Review

The OIGH determined that $33,137 is due to MDH based on variances between under reporting of collections, insufficient monitoring of a vendor contract, overcharged indirect cost, missing equipment, improper equipment disposal, and duplicate charge. The OIGH identified several areas in which internal controls can be improved. Details regarding these issues, along with the OIGH's recommendations, are included in the attached report. The SCHD's responses to this audit are included as an appendix to this report. We have reviewed the corrective action plan and found it to be sufficient to address all audit issues.

The OIGH acknowledges the cooperation extended to us during the audit by SCHD. The OIGH also acknowledges SCHD's willingness to address the audit issues and implement appropriate corrective actions.

cc: Meg Sullivan, M.D., Deputy Secretary for Public Health Services

Office of the Inspector General for Health

Audit Report

March 13, 2026

Somerset County Health Department

July 1, 2020 through June 30, 2023

Maryland

OFFICE OF THE INSPECTOR GENERAL FOR HEALTH

Maryland Office of the Inspector General for Health

Audit Report: Somerset County Health Department

The Office of the Inspector General for Health's (OIGH) External Audit Division conducted an audit on the accounts and records of Somerset County Health Department (SCHD) relative to its contracts (Schedule SC), for the period July 1, 2020, through June 30, 2023, with the following MDH administrations:

- Behavioral Health Administration (BHA)
- Public Health Services (DSPHS)
- Prevention and Health Promotion Administration (PHPA)
- Office of Provider Engagement and Regulation (OPER)
- Office of Preparedness and Response Administration (OP&R)
- Office of Eligibility Services Administration (OES)
- Office of Health Services Administration (OHS)
- Office of Population and Health Improvement (OPHI)

Objectives of the Examination

The OIGH conducted the audit to:

- Determine the amount of program revenue received and allowable expenditures incurred by the program for the contracts.
- Determine any amount due to the State or to the provider resulting from the operation of the programs during the audit period.
- Determine whether financial matters were conducted in accordance with MDH's Local Health Department Funding System Manual (LHDFSM).
- Provide recommendations for improving internal control, ensuring fiscal compliance, or increasing efficiency.
- Determine the status of any recommendations contained in our audit report dated April 12, 2022.

Audit Scope and Methodology

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, observations of SCHD operations, and tests of transactions. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk. Unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, the results of the test cannot be used to project those results to the entire population from which the test items were selected.

Except as noted in the subsequent paragraph, this performance audit was conducted in accordance with generally accepted government auditing standards (GAGAS). These standards require auditors to plan and execute the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report.

In accordance with GAGAS, a Peer Review is required to be conducted at least once every three years by an independent external firm. Peer Reviews serve as periodic evaluations of the quality and effectiveness of an organization's audit work and internal quality control systems. The Office of the Inspector General for Health (OIGH) External Audit Division has not undergone a Peer Review to date. However, the division has expressed its intention to comply with GAGAS Peer Review standards and tentatively arranged for a peer review to take place in May 2027. Until a Peer Review is conducted, the OIGH External Audit Division remains non-compliant with the GAGAS Peer Review requirements."

Presentation of Audit Schedules
This report contains the following schedules:

- Summary of Amount Due to MDH
- Schedule SC: Schedule of Contracts Audited
- Schedule of Under Reporting of Collections
- Schedule of Overcharged Contracts Disallowances
- Schedule of Indirect Cost Disallowances
- Schedule of Missing Equipment
- Schedule of Improper Equipment Disposal
- Schedule of Duplicate Charge

Internal Control
SCHD's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness, and efficiency of operations, including the safeguarding of assets and compliance with applicable laws, rules, and regulations are achieved. Our study and evaluation performed of the internal control systems to achieve the objectives of the examination would not necessarily disclose all material weaknesses. Also, because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate. Accordingly, we cannot express an opinion on the system of internal control taken as a whole.

Our assessment of internal controls was based on provider procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

Our reports are designed to assist MDH in exercising its oversight functions and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly. As a result of tests that were performed, our examination disclosed several weaknesses.

Prior Audit Report
Our audit also included a review to determine the status of the 21 recommendations contained in our prior audit report. Our review determined that 16 recommendations were corrected, and 5 recommendations were not corrected and are repeated in this report.

Conclusion
As a result of procedures performed, in accordance with the examination objectives set forth above, the OIGH determined that $33,137 is due to MDH. The following is a summary of the amount due:

Somerset County Health Department Summary of Amounts Due to MDH Audit Period FY2021 to FY2023			
Finding Number	**MDH Finding Description**	**Amount Due to MDH**	**Report Reference Page**
2	Under Reporting of Collections	$29,197	11
5	Insufficient Monitoring of a Vendor Contract	812	13
6	Overcharged Indirect Cost	102	14
8	Missing Equipment	330	16
9	Improper Equipment Disposal	1,155	16
10	Duplicate Charge	1,541	19
Total Amount Due to MDH		**$33,137**	

Appeal Rights – Appeals to the Division of Cost Accounting and Reimbursement
If you wish to appeal the audit findings, you must notify Nedina Broy Stevenson, Division of Cost Accounting and Reimbursement at Nedinabroy.stevenson@maryland.gov by **April 13, 2026**.

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*** Denotes item was not corrected from the preceding audit report**

Schedule SC

Somerset County Health Department
Schedule of Contracts Audited
All Administrations
Fiscal Years 2021 Through 2023

Contract Number	PCA Number	Program	FY 2021	FY 2022	FY 2023
		BHA			
AS415DCT	F854N	DRUG COURT SERVICES	$ 41,206	$ 41,206	$ 41,206
BH011SRT	F752N	SUBSTANCE ABUSE TREATMENT SERVICES	55,125	46,556	74,498
BH235CSS	F815N	MARYLAND RECOVERY NET (MDRN)-CLIENT SUPPORT SERVICES	23,500	23,500	5,740
AS012SAS	F840N	GENERAL FUND GRANT SUBSTANCE USE SERVICES	321,716	328,741	178,149
AS247FED	F846N	FEDERAL FUND BLOCK GRANT SUBSTANCE USE SERVICES	70,000	70,000	77,000
AS360ADM	F909N	ADMINISTRATIVE LAA	356,236	432,612	431,000
AS079TCA	F865N	TEMPORARY CASH ASSISTANCE (TCA)	27,853	53,278	53,278
AS130STP	F868N	SUBSTANCE ABUSE TREATMENT OUTCOMES PARTNERSHIP - STOP	50,107	65,777	65,777
MH599OTH	F818N	GENERAL FUND GRANT MENTAL HEALTH SERVICES	79,331	70,119	60,218
MH600OTH	F819N	CONTINUUM OF CARE	69,837	65,853	64,833
MH601OTH	F823N	PATH GRANT	9,429	9,429	9,429
ROLLOVER	F826N	LOCAL ADDICTTON AU ROLLOVER FUN	159,128	-	173,973
ROLLOVER	F827N	GENERAL FUND GRANT MENTAL HEALTH SERVICES	85,889	-	26,465
		Total BHA	$ 1,349,357	$1,207,071	$ 1,261,566
		DSPHS			
ARP19SLI	F501N	STRENGTHENING LOCAL HEALTH DEPARTMENT INFRASTRUCTURE	$ -	$ 106,587	$ 106,587
AS019PHI	F522N	STRENGTHENING MARYLAND'S PUBLIC HEALTH DEPARTMENT INFRASTRUCTURE	-	-	53,602
AS445ODA	F755N	OVERDOSE DATA TO ACTION-PREVENTION	15,122	100,658	152,009
		Total DSPHS	15,122	$ 207,245	$ 312,198
		OES			
MA153ACM	F731N	PWC ELIGIBILITY	$255,000	$272,903	$272,903
		Total OES	$255,000	$272,903	$272,903
		OHS			
MA024EPS	F730N	ADMINISTRATIVE CARE COORDINATION	$ 160,000	$ 160,000	$ 160,000
MA121GES	F720N	LHD ASSESSMENT GRANT	46,738	46,738	-

MA360GTS	F738N	GENERAL TRANSPORTATION GRANT	731,013	738,825	-
		Total OHS	$ 937,751	$ 945,563	$ 160,000
		OP&R			
CA015CRF	F903N	CARES ACT FUNDING 19	$2,169,094	$-	$-
CH826PHP	F557N	PUBLIC HEALTH EMERGENCY PREPAREDNESS	143,647	160,486	164,956
CH016COV	F813N	PUBLIC HEALTH CRISIS RESPONSE-COVID19	4,416	-	-
CP013CVD	F907N	Clinical Progs COVID 19	-	-	-
PH019CRW	F924N	CDC CRISIS COOPERATIVE AGREEMENT	-	-	240,117
		Total OP&R	$2,317,157	$160,486	$405,073
		OPER			
PH007OAD	F808N	MARYLAND OPIOID ACADEMIC DETAILING PILOT PROJECT	$ 17,749	$-	$-
		Total OPER	$ 17,749	$-	$-
		OPHI			
CH570CFT	400N-F499	CORE PUBLIC HEALTH SERVICES	$879,678	$1,081,150	$1,795,076
MU013OMP	F870N	OPIOID MISUSE PREVENTION PROGRAM	88,679	88,679	88,679
MU020OFR	F802N	AMERICAN RESCUE PLAN ONE-TIME SUPPLEMENTAL FUNDING	-	21,484	59,973
MU512ADP	F841N	SUBSTANCE ABUSE PREVENTION	118,000	118,000	118,000
MU639COV	F798N	SUBSTANCE ABUSE PREVENTION COVID SUPPLEMENT		131,014	131,014
CDC20HRU	F979N	CDC DISPARITIES GRANT	-	-	413,237
		Total OPHI	$1,086,357	$1,440,327	$2,605,979
		PHPA-FHA			
FH019LPP	F722N	LEAD CASE MAGEMENT	$ -	$ -	$10,000
ID919EDG	F829N	ENHANCING DETECTION GRANTS - ELC	393,445	477,980	342,345
ID944EDE	F795N	ENHANCING DETECTION GRANTS - ELC	-	687,955	723,763
FH003IHR	F926N	CHW IMPROVING HEALTH AND RESILIENCE PROJECT	-	83,333	100,000
IZ819COV	F836N	COVID IMMUNIZATION CARES I	59,745	-	-
AD755SRA	F724N	SEXUAL RISK ADVOIDANCE GRANT (SRAE-JUST FOR GIRLS)	75,091	74,756	84,150
AD842MLC	F923N	MIGRANT LINKAGE TO CARE	-	125,100	125,100
FH003OAH	F788N	MARYLAND OPTIMAL ADOLESCENT HEALTH PROGRAM	48,250	48,250	48,250
FH109FSM	F691N	REPRODUCTIVE HEALTH / FAMILY PLANNING	139,750	145,000	195,487
FH627CHI	F916N	EARLY INTERVENTION	-	23,061	23,061
VC519COV	F919N	IMMUNIZATION & VACCINATIONS FOR CHILDREN	-	-	62,881
FHC16SEA	F636N	ORAL HEALTH SEALANTS	28,378	28,378	28,378
FHD78SQI	F696N	SURVEILLANCE AND QUALITY IMPROVEMENT	29,965	27,000	27,000

FHF92SRS	F717N	SAFE ROUTES TO SCHOOL PROGRAM	25,000	20,000	-
CH546CPE	FC01N-FC03N	CANCER PREVENTION, EDUCATION, SCREENING, AND TREATMENT PROGRAM	130,771	132,954	132,085
CH609TPG	FT02N-FT06N	TOBACCO USE - ADMINISTRATION PREVENTION COMMUNITY - BASE	107,202	106,202	106,827
FHE07TSC	F673N	TOBACCO - ENFORCEMENT INITIATIVE SUPPORT SYNAR COMPLIANCE	40,000	40,000	45,000
CH019TDC	F931N	TOBACCO, DIABETES AND CHRONIC DISEASE PREVENTION AND	-	-	160,833
FH627CHI	F915N	SOMERSET HEALTH DEPARTMENT	23,061	-	-
CH378TPG	F740N	TB CONTROL & PREVENTION SERVICES	-	-	6,000
SBF14MFP	F934N	REPRODUCTIVE HEALTH/FAMILY PLANNING	-	-	50,000
CH009OHO	F977N	OVERWEIGHT, OBESITY AND DIABETES STRATEGIES	-	20,000	-
MFP09THE	F984N	MFPP TELEHEALTH EXPANSION	-	-	20,534
		Total PHPA	$1,100,658	$2,039,969	$2,291,694
		PHPA-IDEHA			
AD387PRV	F765N	HIV PREVENTION SERVICES	$32,910	$32,910	$-
AD643CMA	F760N	AIDS CASE MANAGEMENT	315,361	-	338,271
MA143GES	F720N	LHD ASSESSMENT GRANT	-	-	46,738
AD552RWS	F763N	RYAN WHITE B SUPPORT SERVICES	-	338,271	-
AD773PSH	F807N	PROGRAM SUPPORT FOR HCV	5,310	5,310	5,310
AD794AHR	F810N	ACCESS HARM REDUCTION GRANT	34,816	39,816	49,308
AD800HTL	F754N	HEPATITIS C TESTING AND LINKAGE TO CARE	67,255	-	48,255
AD819COV	F757N	RYAN WHITE B COVID-19 RESPONSE	46,168	-	-
CH031STD	F741N	SEXUALLY TRANSMITTED DISEASE	18,827	18,827	19,827
CH230MIG	F742N	MCH MIGRANT HEALTH	189,407	-	15,000
CH355IMM	F747N	IMMUNIZATION - HEP-IAP, HEP-B	68,700	43,700	43,700
MV619COV	F838N	COVID MASS VACCINATION CARES	50,975	50,975	7,763
FE719COV	F918N	FEMA EMERGENCY PROTECTIVE MEASURES	189,000	-	-
VC519COV	F919N	IMMUNVACINES FOR CHILDREN COVID #4	-	137,662	-
		Total PHPA-IDEHA	$1,018,729	$667,471	574,172
		Totals Dollars Audited by Fiscal Years	**$8,097,880**	**$6,941,035**	**$7,883,585**
		Total Number of Contracts Audited	**148**		
		Total Contract Dollars Audited	**$22,922,500**		

Findings and Recommendations

Banking, Collections and Accounts Receivable

Finding 1 – Absence of Formal Policies and Non-Performance of Bank Reconciliations
SCHD did not perform bank reconciliations during the audit period and does not have written policy and procedures.

Analysis
The OIGH's review of SCHD's bank reconciliations for FY21-FY23 disclosed that formal policies and procedures for the bank reconciliation process were not in place; and the monthly bank reconciliations were not performed during the entire audit period. The failure to establish policy and execute the reconciliation process increases the risk of undetected fraud or material misstatements in financial reporting.

Criteria
In accordance with the COSO Internal Control – Integrated Framework, control activities such as reconciliations are essential detective controls designed to ensure the completeness and accuracy of financial records and to mitigate the risk of asset misappropriation.

Written procedures provide a standard for ensuring a process is performed consistently and efficiently to the organization's expectation. In addition, documented policies and procedures facilitate training and provide guidelines in the event a new employee is hired or promoted. This is considered a best practice.

Recommendation 1
The OIGH recommends that SCHD:
a. Develop and implement policies and procedures for bank reconciliations.
b. Ensure monthly bank reconciliations are performed timely for all accounts.
c. Implement a documented managerial review process.

Finding 2 – Under Reporting of Collections
SCHD collections were under reported by $29,197 in several programs. **(Repeat)**

Analysis
The OIGH's review of collections records for FY21 - FY23 disclosed that collections were under-reported by $29,197 for several programs. No adjustments were made to correct the variance. This finding indicates discrepancies between the actual collected revenue and the amounts officially reported to the MDH. The failure to accurately record and report all collections prevents proper offsetting of MDH-funded expenditures and leads to an inaccurate representation of the program's fiscal position.

See the schedule below for more details:

Somerset County Health Department Schedule of Under Reporting of Collections				
Fiscal Year	**Contract Number**	**PCA Number**	**Finding Description**	**Disallowed Amount**
FY23	CH570CFT	F422N	Collections were understated	$ 113
FY23	FH109FSM	F691N	Collections were understated	9,653
FY23	MA121GES	F720N	Collections were understated	19,431
Total Cost Disallowances Due to MDH				**$ 29,197**

Criteria
According to Local Health Department System Funding Manual, section *2080.04, Income* states: *"All income must be recorded, either on a cash or accrual basis, showing both source and amount."*

According to Local Health Department System Funding Manual, section *2120.03, Allocation of Income,* states*: "All income resulting from, earmarked for or allocated to the operation or proposed operation of the MDH supported human services delivery program is considered 'allocable income' and must be identified in all budget and fiscal reporting documents and must be used to offset MDH funded expenditures."*

Recommendation 2
The OIGH again recommends that SCHD:
a. Record all program income accurately.
b. Ensure all collections are fully reported on all fiscal documents.
c. Strengthen internal controls over collections.

Cost disallowances resulting from the finding above total $29,197 due to MDH.

Finding 3 – Untimely Patient Billing
SCHD did not bill patients in a timely manner.

Analysis
The OIGH's review of the patient billing process for FY21 - FY23 determined that the first, second, and third billing statements for 14 out of 15 patients were not issued within the required 30-day timeframe from the date of service. Delays range from 28 to 331 days in some instances.

Criteria
According to COMAR, Subtitle 01, Title 17 of COMAR, *"Three written demands, at 30-day intervals, will normally be made before an account is declared delinquent."*

Recommendation 3
The OIGH recommends that SCHD:
Bill patients within 30 days from the date of service.

Payroll

Finding 4 – Non-Compliance with Payroll Reconciliation Procedures
SCHD did not obtain and reconcile the State Central Payroll Bureau's Payroll Check Register Report with the SPS Payroll Summary Report. **(Repeat)**

Analysis
The OIGH's review of SCHD payroll reports for the audit period discloses that biweekly payroll payments from the State's Central Payroll Bureau (CPB) were not obtained and reconciled to the payroll payments reflected in reports generated from SPS. SCHD did not compare the total payroll, as reflected in the CPB payroll registers, with the SPS payroll summary reports reflecting the amounts that should have been paid based on each employee's approved work time and salary information. As a result, there was a lack of assurance that actual payroll payments were properly supported by time records and salary information maintained within SPS.

Criteria
The SPS contains certain unique system design features, which often resulted in differences between CPB and SPS. The SPS payroll summary reports reflect all activity relevant to the pay period irrespective of when the transactions are processed, including adjustments to employee pay processed in subsequent pay periods. The CPB check register only reflects employee pay adjustments that have been processed during the specific pay period. It is the best practice that a reconciliation between payroll register from CPB and the related report from SPS for the pay period should be performed to ensure that actual payroll payments were properly supported by time records and salary information maintained within SPS.

Recommendation 4
The OIGH again recommends that SCHD:
Reconcile total payroll as reflected in CPB payroll registers each pay period with SPS payroll summary report, investigate, and resolve any differences, and ensure that those reconciliations are documented and retained for future reference.

Procurement

Finding 5 – Insufficient Monitoring of a Vendor Contract
SCHD did not monitor a contract for one vendor.

Analysis
The OIGH's review of SCHD contract monitoring process in FY21- FY23 disclosed that SCHD did not monitor the contract for a vendor. For example, payments to a vendor exceeded the contract amount resulting in a disallowance in the amount of $812.

See the schedule below for more details:

Somerset County Health Department Schedule of Overcharged Contract Disallowances				
Fiscal Year	**Vendor Name**	**PCA Number**	**Finding Description**	**Disallowed Amount**
FY21	Somerset Co. Public School	F724N	Overcharged Contract Cost	$ 812
Total Cost Disallowances Due to MDH				**$ 812**

Criteria
HSAM, section 2050.01 Contract/MOU states: *"Every award must be perfected by a signed contract (with a private vendor) or by either a Memorandum of Understanding (MOU) or an award letter (with a Local Health Department or other government entity). If provisions of a contract, MOU or award letter contradict the provision(s) of this manual, said instrument shall prevail over this manual."*

The Human Service Agreement Manual, section 2030.09-Verification of Legal Status states: *"A new respondent when not a governmental agency, must present acceptable verification of its legal status (corporation, partnership, fictitious name statement, etc.) prior to the advancement of funds."*

Recommendation 5
The OIGH recommends that SCHD:
a. Ensure all vendors contracts are updated annually.
b. Ensure all vendor contracts are properly reconciled and that payments do not exceed the authorized contract amounts.

Cost disallowances resulting from the finding above total $812 due to MDH.

Expenditures

Finding 6 – Overcharged Indirect Cost
SCHD did not always apply the correct indirect cost to a MDH Contract. **(Repeat)**

Analysis
The OIGH's review of indirect cost charged to MDH Contracts for FY21 - FY23 disclosed that SCHD did not always apply the correct indirect cost to a contract for FY21.

See the schedule below for more details:

Somerset County Health Department Schedule of Indirect Cost Disallowances				
Fiscal Year	**Contract Number**	**PCA Number**	**Finding Description**	**Disallowed Amount**
FY21	AD755SRA	F724N	Improperly charged Indirect cost rate	$ 102
Total Cost Disallowances Due to MDH				**$ 102**

Criteria
According to LHD Conditional of Award: "*Allowable indirect costs are limited to a maximum of ten percent (10%) of direct cost. Note: Cigarette Restitution Fund and Breast and Cervical Cancer Program indirect costs are capped at seven percent (7%) of direct cost*"

Recommendation 6
The OIGH again recommends that SCHD:
Ensure all expenditures are recorded in the appropriate fiscal year.

Cost disallowances resulting from the finding above total $102 due to MDH.

Sub-Vendors

Finding 7 – Incomplete Sub-Vendor Monitoring Documentation
SCHD did not complete all required monitoring documentation for one sub vendor. **(Repeat)**

Analysis
The OIGH's review of sub-vendor controls during the audit period disclosed that SCHD did not maintain required monitoring documentation for one sub vendor.

Criteria
The Standards for Audit of Human Services Sub-Vendors Section III.C.1 states: *"Vendor responsibilities: The standards set forth in this document shall apply to all MDH human services vendors that award all or a portion of their funds received from MDH to sub-vendors to provide services. Vendors are to comply with these requirements and to communicate them to their sub vendors. These standards shall also apply when a sub-vendor contracts with its own sub-vendor …. b) Controls over sub-vendors: Each vendor is responsible for having adequate controls and monitoring procedures over its sub-vendors. These controls should include, but not be limited to, properly executed sub-vendor contracts, periodic progress, and fiscal reports, review of audit reports and site visits to sub-vendors…"*

Recommendation 7
The OIGH again recommends that SCHD:
Ensure that sub-vendors are both monitored and that the monitoring is documented.

Equipment

Finding 8 – Missing Equipment
Two Equipment Items are missing.

Analysis
The OIGH's review of SCHD detail inventory records for FY21 - FY23 disclosed that two equipment items totaling $330 could not be located.

See the schedule below for more details:

Somerset County Health Department
Schedule of Missing Equipment

Fiscal Year	Contract Number	PCA Number	Equipment Description	Finding Description	Disallowed Amount
2023	CH570CFT	F401N	Two Computer Monitors	Missing equipment	$ 330
Total Cost Disallowances Due to MDH					**$ 330**

Criteria
The DGS's Inventory Control Manual Section IV.02 Security Measures states: *"A. Agencies shall take every precaution that is practical or necessary to protect State property from being lost or stolen. B. Losses shall be investigated to determine the cause and to take corrective action to protect property against future loss occurrences.*

The DGS's Inventory Control Manual Section IV.03 I. States: *"Agencies shall absorb the full amount of property loss due to theft, except in specific cases where property may be insured under a special policy. Stolen property having special coverage shall be reported by letter to the State Treasurer."*

Recommendation 8:
The OIGH recommends that SCHD:
a. Ensure that the missing equipment items are thoroughly investigated, and that Accountable Officers take proper control over the equipment inventory in their respective units.
b. Ensure that the Accountable Officers are held responsible for the use and care of State property in their custody or control, this includes the immediate reporting of losses.

Cost disallowances resulting from the finding above total $330.

Finding 9 – Failure to Comply with State Inventory Policy
SCHD did not comply with the State Inventory Policy.

Analysis
The OIGH's review of the equipment inventory system for FY21-FY23 disclosed that SCHD did not always comply with the DGS Inventory Manual:

- SCHD does not have an inventory control account.
- SCHD did not reconcile Equipment Detail Records with Equipment Control Account
- SCHD did not record all equipment in annual reports
- SCHD does not comply with the state policy when disposing State Funded Equipment resulting in a disallowance of $1,155.

See the schedule below for more details:

Somerset County Health Department Schedule of Improper Equipment Disposal					
Fiscal Year	**Contract Number**	**PCA Number**	**Equipment Description**	**Finding Description**	**Disallowed Amount**
2023	CH570CFT	F422N	Freezeless Refrigerator	Improper Equipment Disposal	$ 1,155
				Total Cost Disallowances Due to MDH	**$ 1,155**

Criteria
The Department of General Services (DGS) Inventory Control Manual, section II.03.A states: *"A procedure for maintaining a capital equipment inventory system, manual or computerized, shall be written and implemented. A copy of the procedure shall be retained on file for reference and audit purposes. These requirements are applicable to each State-owned item of capital equipment within an organization's responsibility and on loan to the organization (refer to Section III .03 for additional information). The requirements do not apply to items temporarily assigned to an organization under the guidelines set forth in Section VI permanent records for which the lending organization is responsible. The following minimum data shall be maintained:*

1. Item Identification consisting of at least the agency property identification number and description (refer to .03 E. of this Section)
2. Name of supplier and purchase order or other acquisition document number.
3. Acquisition cost and date.
4. Physical location of item.
5. Serial number, if any.
6. Source of funds.
7. Most recent physical inventory date.
8. Justification and authorization reference for transfer or disposal.
9. Detail inventory records and control accounts shall be maintained by category (equipment, motor vehicles, and livestock) of fixed assets.

In manual systems, Form DGS-950-2, (Section VI), is the recommended format for recording equipment information. Form DGS-950-3, (Section VI), is recommended for motor vehicles, and Form DGS-950-5 (Section VI) is recommended for livestock. Computerized systems shall have the capability to maintain, and report required information."

C. Reconciliation of Inventory Records

1. When the physical inventory is taken, inventory records shall be checked against the items inventoried to assure that records exist for each item, and that records for missing items are investigated, reported and removed in accordance with the procedures in Section V.

2. An inventory control account is a summarized history of acquisitions and disposals and shall be maintained for each category of capital equipment independent of the detail records in either an automated or manual system. A sample format for an inventory control account appears as Exhibit 1 in Section VII. The ending balance of a control account should be equal to the net value of the beginning balance plus acquisitions less disposals for the period being reported. Inventory records for capital equipment shall be reconciled with the covering control account at least quarterly for computerized systems and at least twice annually for manual systems. The total dollar value of inventory records covered by a control account should equal the account balance. If there is a difference, the transactions recorded during the reconciliation period shall be analyzed and the necessary adjustments made to the inventory records or to the control account as appropriate.

3. Adjustments to a control account balance or to the inventory records shall be approved by someone in authority not below the level of Chief Administrative Officer (or designee) of an institution or major unit within a department or independent agency.

4. The final control account reconciliation shall be certified in writing by someone in authority not below the level of Chief Administrative Office (or designee) of an institution or major unit within a department of independent agency. The reconciliation data and the certification shall be kept on file in the organization for reference and audit purposes and as prescribed by the agency's record retention schedule."

The Department of General Services (DGS) Inventory Control Manual Section II Inventory Controls .03 C- Reconciliation of Inventory Records states: *"An inventory control account is a summarized history of acquisitions and disposals and shall be maintained for each category of capital equipment independent of the detail records in either and automated or manual system. Inventory records for capital equipment shall be reconciled with the covering control account at least quarterly for computerized system and at least twice annually for manual systems. The total dollar value of the inventory records covered by a control account should equal the account balance."*
The DGS Inventory Control Manual, section II.03.D. states: *"At the end of each fiscal year, State agencies shall use the Annual Report of Fixed Assets – Exhibit 2 (See Section VI), to report the value of fixed assets which includes land, buildings and improvements thereto, equipment and construction in progress. This form must be prepared and forwarded to the Department of General Services along with an itemized inventory listing including property description and dollar value. This information shall be submitted to DGS on or before September 15th of each year."*

The Maryland Department of General Services, Inventory Control Manual, section V.03.D states: *"Complete Report of Missing or Stolen Property Report Form DGS-950-8 (Section VII). The Department Secretary or Agency Head will be required to sign off on their Missing and Stolen Property Report before the loss can be written off by the DGS/ISSSD."*

Recommendation 9
The OIGH recommends that SCHD:

a. Implement and maintain an Inventory Control Account.
b. Submit Annual Fixed Assets Reports and an Annual Report of Missing or Stolen Personal State Property to DGS in timely manner.
c. Conduct a physical inventory of sensitive items at least once a year and non-sensitive items at least once every three years and retain for future reference.
d. Ensure that DGS's Inventory Standards are followed when disposing of State funded equipment.

Cost disallowances resulting from the finding above total $1,155.

Finding 10 – Duplicate Charge and No Supporting Documentation
SCHD recorded one duplicate charge in FMIS and did not provide supporting documentation for several equipment purchases.

Analysis
The OIGH's review of SCHD's expenditures for FY2021 - FY2023 disclosed:

- Two invoices were missing. There is no cost disallowance for those specific items because the equipment's physical existence was verified.
- SCHD did not maintain proper documentation for three transactions in FY22.
- One transaction recorded in fiscal year 2022 for the total amount of $1,541was recorded twice in FMIS, but supported by only one invoice.

See the schedule below for more details:

Somerset County Health Department
Schedule of Duplicate Charge

Fiscal Year	Contract Number	PCA Number	Finding Description	Disallowed Amount
2022	PH019CRW	F924N	Duplicate Charge	$ 1,541
Total Cost Disallowances Due to MDH				**$ 1,541**

Criteria
HSAM, section 2150.09 Unallowable Costs states: *"The following items are costs generally considered to be unallowable for purposes of Departmental grant/contract support. The list is not exhaustive; omission does not constitute acceptance as an allowable cost. The Director may allow cost in any of these categories when it is in the public interest to do so; conversely, he/she may elect not to support funding of a cost not listed here, including those generally considered to be allowable under the previous section (Section 2150.08.01). Generally, Unallowable Costs are:*

a. *Costs or expenses unrelated to the MDH funded project,*
b. *Costs not adequately documented…"*

Recommendation 10
The OIGH recommends that SCHD:

a. Ensure to maintain all supporting documentation for all equipment purchases.
b. Ensure no duplicate entries are entered in FMIS.

Cost disallowances from the finding above total $1,541 due to MDH.

Finding 11 – Lack of Segregation of Duties
SCHD lacked adequate segregation of duties over inventory management.

Analysis
The OIGH's review of SCHD's inventory management for the period July 1, 2020-June 30, 2023 disclosed a lack of segregation of duties. Specifically, the functions of storekeeping, recordkeeping, and physical inventory counts were performed by a single employee. This condition represents a weakness in internal control and increases the risk of loss, theft, or unauthorized disposition of State assets.

Criteria
Internal Control Manual Volume 1 C. Control Activities states: *"Control activities include policies, procedures, and mechanisms in place to help ensure that agency objectives are met. Several examples include proper segregation of duties (separate personnel with authority to authorize a transaction, process the transaction, and review the transaction); physical controls over assets (limited access to inventories or equipment); proper authorization, and appropriate documentation and access to that documentation".*

Recommendation 11
The OIGH recommends that SCHD:
Ensure that there is segregation of duties over inventory management.

Information Technology Security

Finding 12 – Safeguarding Sensitive Data
SCHD did not ensure that an external third party properly safeguarded sensitive patient data including protected health information (PHI) and personal identifiable information (PII).

Analysis
The OIGH review of how SCHD safeguarded sensitive patient data disclosed that SCHD did not ensure that an external third party properly safeguarded sensitive patient data including PHI and PII. SCHD maintained the patient's data on the Pattrac system. The system is cloud-based which data infrastructures and databases are owned and maintained by external third parties. SCHD did not obtain and review independent security reviews (annual SOC II Type II Report) to determine that these sensitive data are properly safeguarded.

Criteria
The American Institute of Certified Public Accountants has issued guidance concerning examinations of service organizations. Based on this guidance, customers, such as SCHD, may obtain from service organizations an independent auditor's report referred to as a System and Organization Controls (SOC) for Service Organizations Report. There are several types of SOC reports, with varying scopes and levels of review and auditor testing. One type of report, referred to as a SOC II Type II Report, includes the results of the auditor's review of controls placed in operation and tests of operating effectiveness for the period under review and could include an evaluation of system security, availability of data, processing integrity, the confidentiality of data, and privacy of data.

Recommendation 12
The OIGH recommends that SCHD:
a. Obtain and review the annual SOC II Type II Report from third-party IT contractors.
b. Ensure that the contractor implements all reported recommendations.
c. Retain all documentation for future reference.

Finding 13 – Audit Trails Not Maintained
SCHD did not maintain audit trails for network shared drives and critical software applications.

Analysis
The OIGH's review of network shared drives and critical software applications disclosed that no audit trails for network shared drives and critical software are maintained. The absence of audit trails for shared drives compromises the ability to track and monitor access to sensitive data, increasing the risk of unauthorized access, data breaches, and other security incidents.

Criteria
The State of Maryland Information Technology Security Manual version 1.2, section Audit and Accountability Control Requirements states*: "The Maryland Agency must ensure that:*

"Audit trails maintain a record of system activity by system or application processes and by user activity and processes. In conjunction with appropriate tools and procedures, audit trails can provide individual accountability, means to reconstruct events, detect intrusions, and identify problems. System audit trails, or event logs, provide a record of events in support of activities to monitor and enforce the IT system security policy."

Recommendation 13
The OIGH recommends that SCHD:
Implement audit trail mechanisms for shared drives to ensure all access and modifications are logged and regularly reviewed, thereby enhancing data security and accountability.

Finding 14 - Contingency Plan
SCHD did not maintain an IT Disaster Recovery Plan and did not test and review its contingency plan annually.

Analysis
The OIGH's review of the information technology system disclosed that SCHD did not maintain the IT Disaster Recovery Plan (IDRP). Also, the Continuity of Operation Plan (COOP) was not reviewed and fully tested annually.

Criteria
The State of Maryland Information Technology Security Manual version 1.2, section Contingency Planning states:

"The Maryland Agency must ensure that:

a. Contingency plans are developed for information systems that:

1. Identify essential missions and business functions and associated contingency requirements.

2. Provide recovery objectives, restoration priorities, and metrics.

3. Address contingency roles, responsibilities, and assigned individuals with contact information.

4. Address maintaining essential missions and business functions despite an information system disruption, compromise, or failure.

5. Address eventual, full information system restoration without deterioration of the security measures originally planned and implemented.

6. Are reviewed and approved by designated Maryland Agency officials such a Senior Executive or Authorizing Official.

b. Copies of contingency plans are distributed to personnel identified in the system's contingency plans.

c. Contingency plan activities are coordinated with incident handling activities.

d. Contingency plans are reviewed and approved at least annually.

e. Contingency plans are updated to address changes to the Agency, information systems, or environment of operation and problems encountered during contingency plan implementation, execution, or test.

f. Contingency plan changes are communicated to personnel identified in the system contingency plans.

g. The contingency plan is protected from unauthorized disclosure and modification.

The Maryland Agency must ensure that:

a. Contingency plans for the information system are tested and/or exercised at least annually using DoIT defined tests, or exercises to determine the plan's effectiveness and the Maryland Agency's readiness to execute the plans.

b. Contingency plan test/exercise are documented, and the results are reviewed.

c. Corrective actions are initiated as needed."

Recommendation 14
The OIGH recommends SCHD that:
a. Develop and implement an IT disaster recovery plan.
b. Review and test both contingency plans (COOP and IDRP) at least once annually, document the test, resolve any issues, and retain the documentation for future reference.

Finding 15 – Confidential Information
Confidential information is not clearly identified as "Confidential".

Analysis
The OIGH's review on SCHD marking and handling of State-Owned Information disclosed that confidential information is not clearly identified as "Confidential".

Criteria
The State of Maryland Information Technology Security Manual version 1.2, section Guidelines for Marking and Handling State-Owned Information states: *"It is necessary to classify information so that every individual that comes in contact with it knows how to properly handle and/or protect such information. The following marking and handling requirements are applicable to public and confidential information:*
... Confidential Information:
• Marking: Confidential information is to be clearly identified as "Confidential".
• Access: Only those Maryland state employees or contractors with explicit need-to know and other individuals for whom an authorized Maryland state official has determined there is a need-to-know and an appropriate non-disclosure agreement has been obtained.
• Distribution within State of Maryland systems; Delivered direct - signature required, envelopes stamped Confidential, or an approved, electronic email or electronic transmission method.
• Distribution outside of State of Maryland systems: Delivered direct; signature required; approved private carriers; or approved encrypted electronic email or encrypted electronic file transmission method • Storage: Physically control access to system media (paper and digital) and protect confidential data using encryption technologies and/or other substantial mitigating controls (such as Data Loss Prevention, Network Security Event Monitoring, and strict database change monitoring). Storage is prohibited on portable devices and publicly accessible systems unless prior written approval from agency Secretary (or delegated authority) has been granted. Approved storage on portable devices or publicly accessible systems must be encrypted. Keep from view by unauthorized individuals; protect against viewing while in use and when unattended, store in locked desks, cabinets, or offices within a physically secured building.
• Disposal/Destruction: Dispose of paper information in specially marked disposal bins on Maryland state premises or shred; electronic storage media is sanitized or destroyed using an app roved method. Refer to Physical Security section of this document."

Recommendation 15
The OIGH recommends that SCHD:
Clearly identify confidential information as "Confidential".

Finding 16 – Users' Access Control
SCHD IT unit did not disable user accounts for terminated employees in a timely manner and did not remove employees from PatTrac. **(Repeat)**

Analysis
The OIGH's review of the SCHD user account management system disclosed that:

- Three out of 10 employees accounts selected for testing were not disabled after the 60 days of employment. Their MS Windows account was still active as of July 17, 2025. During the audit fieldwork, these accounts have been disabled after being notified by the auditor.

- Three out of 10 employees were still in PatTrac but not on the permissions lists at the time of test selections. Their PatTrac account was still active as of July 14, 2025. During the audit fieldwork, these accounts have been disabled after being notified by the auditor.

Criteria

State of Maryland Information Technology Security Manual, version 1.2, section Access Control Requirements states: *"Information systems must automatically disable inactive accounts after 60 days of inactivity. DoIT allows for a manual process to compensate for the automated functionality. New accounts that are not used within the first 30 days will be disabled."*

Recommendation 16

The OIGH again recommends that SCHD:

Comply with Maryland Information Security policy section 7.2.2 (ii) by disabling users accounts when no longer needed, (immediately upon user exit from employment and 60 days after inactive accounts).

Appendix – Agency's Responses

Somerset County Health Department
8928 Sign Post Road, Suite 2, Westover, Maryland 21871
443.523.1700 1.800.363.8090 Fax 410.651.5680
TDD 1.800.735.2258
Health Officer: Danielle Weber, MS, RN

I. Bank, Collections and Accounts Receivable

A. Finding 1 - Absence of Formal Policies and Non-Performance of Bank Reconciliations

SCHD did not perform bank reconciliations during the audit period and does not have written policy and procedures.

SCHD does concur with this finding. We were unable to produce bank reconciliations for the audit period as they could not be located. SCHD will create a policy and procedure for bank reconciliations by March 15, 2026. The Director of Administrative Services will ensure monthly bank reconciliations are performed timely for all accounts by creating a tracking spreadsheet. To ensure that all bank reconciliations can be found for all future audits, SCHD will begin scanning all reconciliations starting with FY2026. We are attending training on our document solution program on February 26, 2026 and will begin using that system to store reconciliations.

Actions:

- Create a policy and procedure for bank reconciliations by March 15, 2()26
- Create a tracking spreadsheet that will be managed by the Director of Administrative Services by March 15, 2026
- Create a procedure for scanning bank reconciliations by April l , 2026

B. Finding 2 - Under Reporting of Collections

SCHD collections were under-reported by $29, 197 in several programs.

SCHD concurs with this finding. SCHD has already made changes to how collections are handled internally. Accounts Receivable Clerk is completing the monthly collections report now and the Director of Administrative Services is responsible for sending

collections to the State based on that report. To ensure all collections are sent in a timely manner, SCHD will create and implement a tracking spreadsheet for collections as well. This spreadsheet will be managed by the Director of Administrative Services with the help of the Accounts Receivable Clerk. SCHD will also make sure to update current collections policy and procedures to reflect this additional tracking procedure.

Actions:

- Update current policy and procedure for monthly collections by March 15, 2026
- Create a tracking spreadsheet that will be managed by the Director of Administrative Services by March 15, 2026

C. Finding 3 - Untimely Patient Billing

SCHD did not bill patients in a timely manner.

SCHD does concur with this finding. During the audit period, we made a switch from PatTrac 1.0 to PatTrac 2.0. During that transition we had some difficulty with the billing piece of the transition. SCHD will create or update written policy and procedure for patient billing by March 15, 2026. The Director of Administrative Services will ensure billing statements are sent monthly by creating a tracking spreadsheet. The spreadsheet will track the number of billing statements sent and will be verified using PatTrac.

Actions:

- Create or update policy and procedure for patient billing by March 15, 2026
- Create a tracking spreadsheet that will be managed by the Director of
- Administrative Services by March 15, 2026 Il.

IV. Payroll

A. Finding 4 - Payroll Reconciliation Procedures Were Not Followed

SCHD did not obtain and reconcile the State Central Payroll Bureau Payroll Check Register Report with the SPS Payroll Summary Report.

SCHD does concur with this finding. SCHD receives a bi-weeky payroll report from the Comptroller's office that was shared with the auditors. We do not currently have access to obtain the CPB report referenced in the audit report. The

report received from the Comptroller's office via email gives the same data just with different headers. SCHD will reconcile this report using the SPS Payroll Summary Report moving forward. All discrepancies will be investigated, resolved and documented for future audit purposes.

Actions:

- Create a policy and procedure for payroll reconciliations by March 15, 2026
- Create a tracking spreadsheet that will be managed by the Director of Administrative Services by March 15, 2026

III. Procurement System

A. Finding 5 - Insufficient Monitoring of a Vendor Contract

SCHD did not monitor a contract for one vendor.

SCHD concurs with this finding. In September 2025, SCHD updated its current Grant Agreement and Monitoring Policy to include monthly and quarterly vendor monitoring (Appendix 1) as well as a quarterly report (Appendix 2) completed and submitted by each vendor. Program staff are to meet and discuss spending with each vendor during their quarterly vendor meeting. This will help to monitor spending throughout the grant period and will ensure spending is in line with the agreement. This new practice has been implemented for FY2026 and all completed reports will be submitted to the Health Officer and the Director of Administrative Services at the end of each fiscal year for future audit purposes.

Actions:

- Collect vendor monitoring reporting for all vendors with FY2026 agreements by 7/15/2026

IV. Expenditures

A. Finding 6 - Overcharged Indirect Cost

SCHD did not always apply the correct indirect cost to a MDH Contract.

SCHD concurs with this finding and will ensure that all indirect costs taken are limited to the maximum of 10% for all but CRF programs which are limited to 7% of direct costs.

Actions:

- Ensure the correct indirect is taken for each grant by 6 30 2026

V. Sub-vendors

A. Finding 7 - Sub-Vendor Monitoring Documentation

SCHD did not complete all required monitoring documentation for one sub-vendor.

SCHD concurs with this finding. In September 2025, SCHD updated its current Grant Agreement and Monitoring Policy (Appendix 3) to include procedures for monthly and quarterly monitoring activities. This new practice has been implemented for FY2026 and all completed reports will be submitted to the Health Officer and the Director of Administrative Services at the end of each fiscal year for future audit purposes.

Actions:

- Collect vendor monitoring reporting for all vendors with FY2026 agreements by 7/15/2026

IV. Equipment

A. Finding 8 - Missing Equipment

Two Equipment items are missing.

SCHD does concur with this finding. SCHD will create an inventory manual by April l, 2026. The manual will include procedures for timely reporting of lost items.

Actions:

- Create an Inventory Manual by April l, 2026

B. Finding 9 - Failure to Comply with State Inventory Policy SCHD did not comply with the State Inventory Policy.

SCHD concurs with this finding. During the audit, it was brought to management's attention that inventory was not being maintained as it should have been maintained. SCHD has worked diligently to ensure that the inventory currently maintained in PatTrac is up to date. The creation of the Inventory Manual referenced in VI.B will help to ensure all inventory procedures are followed and all reporting done accurately and on time. Physical inventories will be conducted annually for sensitive items and every three years for non-sensitive items.

Actions:

- Create an Inventory Manual by April 1, 2026
- Create and maintain an Inventory Control Account by April l, 2026

C. Finding 10 - Duplicate Charge and No Supporting Documentation SCHD recorded one duplicate charge in FMIS and did not provide supporting documentation for several equipment purchases.

SCHD concurs with the duplicate charge recorded in FMIS and the two missing invoices that results in no cost disallowance since the inventory was verified. SCHD does not concur with the statement that we did not maintain proper documentation for 26 transactions in FY21 through FY23 and two transactions in FY23. During our exit interview, we discussed missing credit card statements and all but one credit card statement was provided. We did discuss missing transactions in FY23.

SCHD will ensure no duplicate entries are entered in FMIS moving forward.

D. Finding 11 Lack of Segregation of Duties

SCHD lacked adequate segregation of duties over inventory management.

SCHD concurs with this finding. SCHD has already implemented separation of duties over inventory processes. These duties will be outlined in the Inventory Manual being created by SCHD.

V. Information Technology Security

A. Finding 12 - Safeguarding Sensitive Data

SCHD did not ensure that an external third party properly safeguarded sensitive patient data including protected information (PHI) and personal identifiable information (PII).

SCHD concurs with this finding and has implemented a process already to ensure that the SOC 2 Type 2 report is received from all third-party IT contractors moving forward. The Director of Administrative Services will be responsible for obtaining this report from each vendor and will forward onto OET as needed.

Actions:

- Request annual SOC 2 Type 2 Report from all third-party IT contractors

B. Finding 13 - Audit Trails

SCHD did not maintain audit trails for network shared drives and critical software applications.

SCHD concurs with this finding and has discussed it with the OET staff. OET will implement the use of a Network Access Form (Appendix 4), which has been utilized at MDH Headquarters, for any requests to create a new network user and to request access to other system or data (i.e. Google mail, ADC mainframe, PatTrac, network stored data). These request forms will be required of SCHD users who open any HD ticket network accounts or access. OET will maintain these forms for future audits. SOPs (Appendix 5) have been created and will be part of the implementation process.

Actions:

- Implement Network Access Form for audit trail purposes

C. Finding 14 - Contingency Plan

SCHD did not maintain an IT Disaster Recovery Plan and did not test and review its contingency plan annually.

SCHD concurs with this finding and has discussed further with OET. OET has worked with an outside contractor to create an IT Disaster Recovery Plan (DRP) (Attachment 6). This plan as well as the After Action Report from SCHD's DRP drill were provided to SCHD management. SCHD OET staff will begin working on SOPs for SCHD.

Actions:

- OET staff at SCHD will work on creating SOPs.

D. Finding 15 - Confidential Information

Confidential information is not clearly identified as "Confidential ".

SCHD concurs with this finding and has already put corrective action in place. All filing cabinets or cabinets have been clearly marked as "confidential" and any new cabinets that contain confidential information moving forward will be marked as well.

Actions:

- None needed at this time as we have implemented a corrective action for this finding

E. Finding 16 - Users' Access Control

SCHD IT unit did not disable user accounts for terminated employees in a timely manner and did not remove employees from PatTrac.

SCHD concurs with this finding and has discussed it with OET. OET staff will ensure that an SOP is drafted by March l, 2026 specifying IT duties to keep PatTrac user access updated. This will also become part of SCHD OET staff PEP ratings. Annually in January, OET will provide the Director of Administrative Services with a list of PatTrac and network users to review and ensure that the list only contains active users and that each user still has access to the correct modules. OET will keep the annual copy of this review for future audits.

Actions:

- Create SOPs for User Access Control by March l, 2026. - Conduct annual review of users every January.

Signature Page

The signature below is an acknowledgement that the Audit Report Corrective Action Plan has been reviewed, accepted and implemented at the Somerset County Health Department as of the recorded date.

Danielle Weber, MS,
RN Health Office
2/13/2026

Appendix 2: Auditor's Comments to Provider Responses

Finding Number	Brief Description	SCHD's Responses
10	Duplicate Charge and No Supporting Documentation	SCHD's Response: SCHD does not concur with the statement that we did not maintain proper documentation for 26 transactions in FY21 through FY23 and two transactions in FY23. During our exit interview, we discussed missing credit card statements and all but one credit card statement was provided. We did discuss missing transactions in FY23.
Auditor's Comments: Upon review of the explanation and further analysis of the additional documentation provided by SCHD, the OIGH reduced the number of transactions lacking supporting documentation to three. However, documentation supporting these remaining transactions was not provided for audit verification. Accordingly, the finding remains as stated. The adjustment has been reflected in Finding 10 above.		

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