TO: Dr. Casey Scott, Health Officer
Dorchester County Health Department

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

DATE: July 06, 2026

RE: Audit Report – Dorchester 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.

Dorchester County Health Department (DoCHD), located in Cambridge, 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. DoCHD 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, 2021, to June 30, 2024) DoCHD received $33,469,078 from MDH in support of its mission.

Results of Review

The OIGH determined that $1,572,116 is due to MDH due to an undermatch of county expenditures on Core Public Health Services, improperly overallocated indirect costs, equipment invoice amounts differ from payment amount, and missing equipment. The OIGH also identified several areas in which internal controls can be improved. Details regarding these issues, along with OIGH's recommendations, are included in the attached report.

DoCHD's responses to this audit are included as an appendix to this report. We have reviewed the responses and identified statements in the response that conflicted with or disagreed with the

report's findings. We reviewed and reassessed our audit documentation and reaffirmed the validity of our findings in accordance with generally accepted government auditing standards. We have included auditor comments to explain our position.

The OIGH also acknowledges DoCHD's willingness to address the audit issues and implement appropriate corrective actions.

cc: Dr. Meg Sullivan, Deputy Secretary for Public Health Services, MDH
Jennifer Wiley, Director of Administration, Dorchester County Department of Health

Office of the Inspector General for Health

Audit Report

July 06, 2026

Dorchester County Health Department

July 1, 2021, through June 30, 2024

Maryland

OFFICE OF THE INSPECTOR GENERAL FOR HEALTH

Office of the Inspector General for Health

Audit Report: Dorchester County Health Department

The Office of the Inspector General for Health's (OIGH) External Audit Division has performed an audit on the accounts and records of Dorchester County Health Department (DoCHD) relative to its contracts (Schedule SC), for the period July 1, 2021, through June 30, 2024, with the following MDH administrations:

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

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 prior audit report.

Audit Scope and Methodology

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and tests of transactions. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing, or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. Unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, the results of the tests 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, we conducted this performance audit in accordance with generally accepted government standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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 has tentatively arranged for a peer review to take place in May 2027. Until the peer review is concluded, 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
- Schedules of Undermatch Cost Disallowances
- Schedule of Over-Allocated Indirect Cost Amounts
- Schedule of Equipment Invoice Variance Amounts
- Schedule of Missing Equipment

Internal Control

DoCHD'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.

Prior Audit Report

Our audit also included a review to determine the status of the seven recommendations contained in our prior audit report. Our review determined that all seven recommendations were corrected.

Conclusion

As a result of procedures performed, in accordance with the examination objectives set forth above, the OIGH determined that $1,572,116 is due to MDH. The following is a summary of the amount due:

Dorchester County Health Department Summary of Amount Due to MDH Audit Period FY2022 to FY2024			
Finding Number	**Finding Description**	**Amount Due to MDH**	**Report Page Reference**
1	Undermatch of County expenditures on Core Public Health Services	$ 805,399	11
9	Improperly Overallocated Indirect Costs	763,613	20
11	Equipment item invoice amount differed compared to payment amount.	390	25
12	Missing Equipment	2,714	27
	Total Amount Due to MDH	**$ 1,572,116**	

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 **August 06, 2026**.

Table of Contents

Schedule SC

DORCHESTER COUNTY HEALTH DEPARTMENT
SCHEDULE OF CONTRACTS AUDITED
ALL ADMINISTRATIONS
FISCAL YEARS 2022 THROUGH 2024

CONTRACTS	PCA	PROGRAM	2022	2023	2024
		PHPA - OPHI - IDEHA - CCDPC			
AD372PRV	F765N	HIV PREVENTION SERVICES	$ 34,900	$ -	$ -
AD744PRP	F912N	HIV PRE - EXPOSURE PROPHYLAXIS CLINIC	85,000	85,000	62,697
AD358CMA	F760N	AIDS CASE MANAGEMENT	-	769,537	32,227
AD02HCOV	F601N	HOPWA - COVID	21,163	-	-
AD807PSH	F807N	PROGRAM SUPPORT FOR HCV	5,310	5,310	5,310
AD372PRV	F765N	HIV PREVENTION SERVICES	-	34,900	29,313
MU007OMP	F870N	OPIOID MISUSE PREVENTION PROGRAM	222,457	222,457	222,457
ID934EDE	F795N	ENHANCING DETECTION GRANTS - ELC	629,815	602,018	508,927
ID910EDG	F829N	ENHANCING DETECTION GRANTS - ELC	310,810	132,215	56,696
FH002IHR	F926N	CHW IMPROVING HEALTH AND RESILENCE (2109)	83,333	103,000	130,622
FH103ODS	F927N	ADULT OBESITY SCREENING IN THE DENTAL SETTING	28,750	24,000	35,000
VC510COV	F919N	IMMUNVACINES FOR CHILDREN COVID #4	173,717	95,399	14,214
FH001PMM	F554N	MATERNAL MORTALITY REVIEW PROGRAM	-	-	93,000
ARP29HVF	F976N	ARP - ROUND 1 - HOME VISITING	19,378	49,326	16,422
AD839HOP	F790N	HOPWA	101,877	118,954	5,638
CHC82ECM	F708N	CHILDHOOD LEAD POISONING PREV	202,420	202,420	202,420
MV610COV	F838N	COVID MASS VACCINATIONS	64,326	4,926	-
CH963OCP	F549N	ORAL DISEASE & INJURY PREVENTION	130,348	-	-
AD789AHR	F810N	ACCESS HARM REDUCTION GRANT	116,800	104,166	112,166
AD609RWS	F763N	RW B SUPPORT SERVICES	-	-	967,188
AD491RWS	F763N	RW B SUPPORT SERVICES	674,183	-	-
CHA14TBC	F740N	TB CONTROL & PREVENTION SERVICE	2,000	-	12,000
CHA15TBC	F740N	TB CONTROL & PREVENTION SERVICE	-	4,000	-
CH338STD	F741N	SEXUALLY TRANSMITTED DISEASE	130,393	173,241	206,353
CH365IMM	F747N	IMMUNIZATION-HEP-IAP,HEP-B	43,700	43,700	223,700
		Total PHPA-OPHI-IDEHA Grants	$ 3,080,680	$ 2,774,569	$ 2,936,350
		BHA			
AS005SAS	F840N	GENERAL FUND TREATMENT GRANT	$ 96,336	$ 179,225	$ 163,778
AS070TCA		TEMPORARY CASH ASSISTANCE (TCA)	52,790	52,790	52,790
AS157STP	F868N	SUBSTANCE ABUSE TREATMENT OUTCOMES PARTNERSHIP -STOP	-	185,040	292,529
AS186DCT	F854N	DRUG COURT SERCICES	47,528	47,528	47,528
AS229FED	F846N	FEDERAL SERVICE GRANT	100,528	132,942	146,159
AS351ADM	F909N	ADMINISTRATIVE LAA	134,158	138,518	142,674
BH226CSS	F815N	MARYLAND RECOVERY NET - MDRN	13,482	13,482	10,786
BH010BUP	F804N	BUPRENORPHINE INITIATIVE	15,000	15,000	20,000
AS005SAS	F826N	ROLLOVER	90,650	-	60,684
		Total BHA Grants	$ 550,472	$ 764,525	$ 936,928
		OES			
MA148ACM	F731N	PWC ELIGIBILITY	$ 396,056	$ 547,093	$ 522,369
		Total OES Grants	$ 396,056	$ 547,093	$ 522,369
		OPHI			
MU529ADP	F841N	SUBSTANCE ABUSE PREVENTION	$ 130,182	$ 130,182	$ 130,182
MU629COV	F798N	SUBSTANCE ABUSE PREVENTION COVID	131,014	131,014	-
CDC10HRU	F979N	CDC DISPARITIES GRANT	227,766	490,869	305,219
MU010OFR	F802N	AMERICAN RESCUE PLAN ONE - TIME	44,000	59,973	59,973
CH561CFT	F400N,F416N	CORE PUBLIC HEALTH SERVICES	2,001,033	2,595,410	3,703,171
		Total OPHI Grants	$ 2,533,995	$ 3,407,448	$ 4,198,545

ARP10SLI	F501N	OPIOID OIT PROJECT	$ 58,436.00	$ 78,993.00	$ -
AS009PHI	F522N	STRENGHTENING MARYLAND'S PUBLIC HEALTH INFRASTRUCTURE	-	38,598.00	122,027.00
AS444ODA	F755N	OVERDOSE DATA TO ACTION PREVENTION	40,935.00	107,653.00	-
		Total PHS Grants	$ 99,371.00	$ 225,244.00	$ 122,027.00
		OHS			
MA014EPS	F730N	ADMINISTRATIVE CARE COORDINATION	$ 187,200	$ 187,200	$ 199,273
MA121GES	F720N	LHD ASSESMENT GRANT	42,366	42,366	42,366
MA380DCE	F721N	ADULT DAY CARE	-	-	50,207
MA351GTS	F738N	GENERAL TRANSPORTATION GRANT	751,796	1,048,826	1,045,686
		Total OHS Grants	$ 981,362	$ 1,278,392	$ 1,337,532
		OP&R			
CH816PHP	F557N/F558N	PUBLIC HEALTH EMERGENCY PREPAREDNESS	$ 163,070	$ 167,612	$ 217,612
PH010CRW	F924N	CDC CRISIS COOPERATIVE AGREEMENT	487,822.00	308,281	275,279
		Total OP&R Grants	$ 650,892	$ 475,893	$ 492,891
		DDA			
MR179MRS	F877N	SUMMER RECREATIONAL PROGRAM	$ -	$ -	$ 6,370.00
		Total DDA Grants	$ -	$ -	$ 6,370.00
		PHPA - FHA			
CH535CPE	FC01N-FC03N	CANCER PREV, EDUC, SCRN, DIAG-NON CLINICAL	$ 148,191	$ 146,856	$ 147,090
CH590TPG	FT02N, FT06N	TOBACCO USE PREV COMMUNITY-BASED	111,359	111,610	111,610
FHB78PRE	F602N	PERSONAL RESPONSIBILITY EDUCATION PROGRAM	25,000	48,144	27,644
FH622CHI	F915N	MATERNAL HEALTH	28,382	-	-
FH004OAH	F788N	MARYLAND OPTIMAL ADOLESCENT HEALTH PROGRAM	109,000	65,000	-
FH004OAH	F788N	TRUE YOU MARYLAND	-	-	29,309
FHD96TSC	F673N	TOBACCO - ENFORCEMENT INITIATIVE SUPPORT SYNAR COMPLIANCE	45,000	45,000	50,000
FH106FSM	F691N	REPRODUCTIVE HEALTH/FAMILY PLANNING	186,409	174,409	287,519
FHD69SQI	F696N	SURVEILLANCE AND QUALITY IMPROVEMENT	27,000	27,000	27,000
CH963OCP	F549N	ORAL DISEASE & INJURY PREVENTION	-	130,348	130,348
FHD25PTI	F660N	PATCH TOBACCO INITIATIVE	35,000	25,000	25,000
FHC20OBS	F913N	OBESITY SCREENING IN THE DENTAL SETTING	10,500	-	15,000
SBF07MFP	F934N	REPRODUCTIVE HEALTH/FAMILY PLANNING	-	50,000	-
CH010TDC	F931N	TOBACCO, DIABETES AND CHRONIC DISEASE PREV AND MGMT INITIATI	-	-	145,833
FHD34MIC	F661N	HFA EXPANSION	349,262	376,763	349,263
FH622CHI	F914N	TITLE V - CHILD HEALTH SERVICES	28,382	28,346	88,346
FH002SBH	F973N	SCHOOL BASED HEALTH CENTERS	-	480,313	508,668
MFP04THE	F984N	MFPP TELEHEALTH EXPANSION	-	7,086	-
PH010CPH	F624N	CANNABIS PREVENTION & CONTROL	-	-	30,000
FH008OAH	F566N	TRUE YOU MARYLAND	`	-	51,000
MIE04ARP	F985N	MIECHV ARP ROUND 2	-	60,629	75,786
AD009MAI	F681N	MAI	-	-	170,669
		Total PHPA-FHA Grants	$ 1,103,485	$ 1,776,504	$ 2,270,085
		Totals Dollars Audited by Fiscal Years	**$ 9,396,313**	**$ 11,249,668**	**$ 12,823,097**

Total Number of Contracts Audited	**167**
Total Contract Dollars Audited	**$ 33,469,078**

Findings and Recommendations

Reconciliation

Finding 1 – Undermatch of County expenditure on Core Public Health Services
DoCHD failed to meet the required match funding for fiscal years 2023 and 2024.

Analysis

The OIGH review of DoCHD's core public health services matching for the audit period disclosed that DoCHD did not meet the required match funds for the Core Public Health Services Funding Agreement for fiscal years 2023 and 2024. Specifically, the OIGH identified a funding undermatch of $105,392 for fiscal year 2023 and $700,007 for fiscal year 2024. These deficiencies were partially caused by DoCHD mistakenly combining the required match amount with eligible local funds that exceeded the match requirement on the fiscal year 2024 agreement.

DoCHD's failure to satisfy the required local matching contribution constitutes noncompliance with applicable funding requirements; accordingly, the OIGH determined to proportionately recover the State funds associated with the unsupported local match deficiency. See the schedule below for more details:

Dorchester County Health Department
Schedule of Undermatch Cost Disallowances
Audit Period FY2022 - FY2024

Fiscal Year	PCA Number	PCA Description	Finding Description	Disallowed Amount
2023	F400N	CORE PUBLIC HEALTH SERVICES	Undermatch Identified.	$ 105,392
2024	F400N	CORE PUBLIC HEALTH SERVICES	Undermatch Identified.	700,007
Total Cost Disallwances Due to MDH				**$ 805,399**

Criteria

Md. Code Regs. 10.04.01.04 – Requirement for Local Matching Funds states *"A. As to appropriations referenced in Health-General Article § 2-302, Annotated Code of Maryland, local matching funds shall be required as a condition of any distribution to a subdivision. B. The local match percentage for each subdivision shall equal the percentage required for each subdivision for fiscal year 1996."*

Maryland Department of Health Subtitle 3 – Local Health Services Funding Section 2-303 – Local Matching Funds states *"As to appropriations required by this subtitle, a local match shall be required as a condition of any distribution to a subdivision; however, the local match percentage required by the Secretary of Health may not exceed the local match percentage required for the subdivision for fiscal year 1996."*

Recommendation 1

The OIGH recommends DoCHD:

a. Ensure all required matching fund obligations are fully met each fiscal year.

b. Accurately distinguish between required match and local funds on funding agreements.

Cost disallowances resulting from the finding above total $ 805,399 due to MDH.

Collections & Accounts Receivable

Finding 2 – Inadequate Controls Over Collection Reporting and Cash Safeguarding
DoCHD did not accurately record collections or properly secure physical cash folders.

Analysis
The OIGH review of DoCHD's Collections for the audit period disclosed that the department lacked adequate internal controls over financial reporting and the physical security of cash. Specifically, the review identified:

- Variances between the collection report and the Financial Management Information System (FMIS) due to incorrect posting. Two transactions for Admin Vital Records (F401N) were recorded in FMIS but omitted from the collection report.
- Cash collections for the vital records clinic were not properly safeguarded. Auditors verified the cash folder was left on top of a drawer rather than being secured in a locked location.

Criteria
DoCHD's Fee Policy – Setting of Charges and Collection of Fees states:
VII. Collection of Fees
The collection of fees is the responsibility of each program unit, working in conjunction with the Accounts Receivable staff.

A. Payment at the time of service:
1. Clients are encouraged to pay at the time of service via cash, check, or credit card. (See separate instructions for processing credit card payments.)

The staff member receiving the payment is to issue a pre-numbered receipt indicating the amount paid, type of payment (cash, check, credit card), date, and service received.

2. If a client is unable to pay at the time of service, a bill will be generated by the Accounts Receivable staff for the outstanding amount due.

B. Payments received via mail:
1. The staff member opening the mail scans and records checks received on the applicable program Daily Revenue Reporting Form. Original checks are forwarded to the deposit clerk for safe keeping.
2. Program staff electronically access the Daily Revenue Reporting Form and scan of checks and explanation of benefit (EOB) forms to appropriately apply payment to client accounts.

VIII. Deposit of Fees and Other Collections
The Division of Administrative Services bears responsibility to make bank deposits on a daily basis and to account for all collections.

A. Program staff submit collections to the deposit clerk using the electronic Daily Revenue Reporting Form. Collections are credited to the Program Cost Account (PCA) of the program generating the revenue.

B. Deposit clerk verifies cash, checks, and credit card receipts with the Daily Revenue Reporting Form.
C. Deposit clerk prepares master deposit and makes the bank deposit.
D. Daily Revenue Reporting Forms, along with the master deposit slip, are forwarded to the Ledger Clerk for posting to the bank and cash ledger. DoCHD uses QuickBooks to maintain the cash ledger.
E. Fiscal Supervisor verifies that all collections received have been posted to the appropriate client account.

DoCHD's Collection and Deposit Procedures - Client Fees/Payments/Donations states:
2.) All fees collected will be kept in a secured (locked) location in the department until they are taken to the fiscal office to be signed off.

Recommendation 2
The OIGH recommends DoCHD:
a. Ensure all transactions are accurately recorded in the collection report.
b. Implement reconciliation procedures between FMIS and collection reports are strictly enforced.
c. Ensure all cash folders are stored in a locked, secure location.
d. Retrain all staff on cash handling and safeguarding protocols.

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

Analysis
The OIGH review of DoCHD's billing for the audit period disclosed that the department did not issue patient bills in a timely manner. Specifically, 12 patients did not receive their first bill timely, taking an average of 66 days. Furthermore, 12 patients received their second bill after an average of 60 days. The review also identified 11 patients who did not receive a third bill timely, averaging 54 days. Across all billing cycles, delays reached as high as 183 days.

Criteria
COMAR 17.01.01.04A requires that*: "The agency head or his designee shall take aggressive action, on a timely basis with effective follow-up, to collect all claims of the State for money or property resulting from the activities of (or referred to) his agency in accordance with the standards set forth in this regulation."*
Subtitle 01, Title 17 of COMAR, states*: "Three written demands, at 30-day intervals, will normally be made before an account is declared delinquent. However, an agency should declare an account delinquent and transfer it to CCU immediately, without awaiting the expiration of a time period."*
Recommendation 3
The OIGH recommends DoCHD:
Ensure all patients are billed in a timely manner.

Finding 4 – Delayed Sending Overdue Accounts to CCU
DoCHD did not always send patients' overdue accounts to the central collection unit in a timely manner.

Analysis
The OIGH review of DoCHD's Account Receivable for the audit period disclosed that the Department did not always abide by Central Collection Unit (CCU) policies. Specifically, 13 patient accounts remained overdue for more than 120 days without being submitted to the CCU in a timely manner. Furthermore, the review identified two specific patient accounts with balances overdue by more than 120 days that were not referred to the CCU within the required timeframe. One account was submitted 23 months after the third billing statement was issued, while the second account was submitted 17 months after the third billing statement.

Criteria
Subtitle 01, Title 17 of COMAR, states: *"Three written demands, at 30-day intervals, will normally be made before an account is declared delinquent. However, an agency should declare an account delinquent and transfer it to CCU immediately, without awaiting the expiration of a time period."*

Recommendation 4
The OIGH recommends DoCHD:
Ensure delinquent accounts and abatement requests are sent to the CCU within the required timeframe.

Procurement

Finding 5 – Inadequate Procurement Supporting Documentation
DoCHD did not consistently maintain required procurement support documentation during the audit period.

Analysis
The OIGH review of DoCHD's procurement for the audit period disclosed that DoCHD did not always comply with procurement policy requirements. Specifically, the review identified:

- For procurements exceeding $5,000, procurement support was missing for six vendors, and bidding or decision-making documentation was absent for four vendors.
- Sole Source Justifications were not maintained for nine vendors classified as sole source for procurements over $5,000.
- For procurements under $5,000, eight vendors lacked required quotes or support documentation. Decision-making documentation was not maintained for five vendors selected for services in fiscal year 2024.
- Sole Source Justifications were missing for five vendors classified as sole source for procurements under $5,000.

Criteria
The Dorchester County Procurement Policy States:
RESOLUTION ESTABLISHING PURCHASING AND BIDDING PROCEDURES

WHEREAS, the Dorchester County Commissioners are entrusted by the taxpayers and citizens of Dorchester County with the responsibility to adequately safeguard the public funds of the County and ensure that such funds are properly spent and accounted for; and
WHEREAS, the County Commissioners have determined that there shall be a standard purchasing and bidding procedure which shall be followed by all County departments.
NOW, THEREFORE, BE IT RESOLVED, pending the adoption of complete Financial Management Rules, the County Commissioners have determined that the following interim purchasing and bid procedures are hereby adopted:
PURCHASING AND BIDDING PROCEDURES
Applicability
These procedures shall apply to all County Departments (except those agencies which are independent political subdivisions). The County Commissioners may make exception to these procedures in the following instances:

1. *Any item, or groups of items, purchased under the same contract from the same vendor, estimated to be in excess of $5,000 shall be purchased in accordance with these bidding procedures.*
2. *The Commissioners may, by a four-fifths majority vote, waive bidding requirements for purchases in excess of $5,000 when they determine that bidding would be impractical or not in the best interest of the County.*
3. *The County Commissioners may also specifically call for these bidding procedures to be followed for purchases less than $5,000 when they determine it to be in the best interest of the County.*
4. *Bidding procedures shall not be applicable to the engaging of an independent auditor or the awarding of contracts for professional services unless the Commissioners so determine it to be in the best interest of the County.*

Solicitation and Advertising of Bids
A bid notice shall be advertising at least once in a newspaper of local circulation. If there is likely to be insufficient bidders within the County, then a bid notice may also be advertised in other newspapers as necessary.
Additionally, special bid invitations may be mailed directly to potential vendors.
Items Not Requiring Bidding
Where formal bidding is not required, it shall be the responsibility of the Department Head to solicit comparative prices from various vendors and to make purchases with consideration to the best possible price and value. Additionally, Department Heads shall provide the Commissioners with notification when making a purchase which exceeds $2,500 and yet falls below the $5,000 bid limit.
Priority to County Vendors
Department Heads shall make an affirmative effort to give priority to Dorchester County vendors. Lowest available price criteria may be waived in favor of business location.
County Discount and Tax Exemption

The Department Heads shall ensure that the County receives any applicable governmental discount and that State sales tax is not charged on any order. Under no circumstances may the County's tax-exempt status be used for the benefit of any personal or non-governmental purchase."

The Dorchester County Department of Health's Purchasing Guidelines dated 4/17/24 States:

I. *Executive Summary*

The purpose of this policy is to set forth the policies and procedures for Dorchester County Health Department (DoCHD) employees involved in purchasing, procurement, contracts, and memoranda of understanding or agreement (MOU/MOA).

II. *Background*

The purchasing and procurement of goods and services is driven by the DoCHD Fiscal Unit. Administrative changes and recommendations by the Maryland Department of Health (MDH), such as the creation of the Strategic Data Initiative (SDI) have further influenced the need for formal policy and procedure development. This policy and associated procedures have been updated effective April 17, 2024, to reflect how purchasing, procurement, and contract management are to be implemented.

III. *Policy Statements*

1. *General*

a. *The fiscal department processes all financial transactions for the DoCHD. This includes employee payroll, expense report reimbursements, purchasing, procurement, etc. In addition, the fiscal department is responsible for equipment and office supply inventory.*

2. *Purchasing*

a. *All purchasing is done by the fiscal unit based on approved requests from employees. A supply request must be submitted and processed via PatTrac (See Attachment A). Fiscal ultimately decides where the purchase will be bought based on cost and availability. We have various government and tax-exempt accounts that may provide better pricing and availability than the requested purchase. Any purchasing correspondence through email must be sent to DoCHD.Fiscal@maryland.gov. This ensures that everyone in the fiscal department receives the information they need.*

i. ***Anything requiring purchase****: Complete a supply request via PatTrac (See Attachment A). Supply request should include – company information (Staples, Amazon, etc.), description of item with as much detail as possible (black gel pens size .07 or cheap black pens), item # (if you are requesting a specific item), and item website link. Each company must have a separate supply request.*

ii. ***Monthly Utilities****: Invoices/bills need to be given to the fiscal department immediately upon receiving the invoice.*

iii. ***Customized Items*** *(e.g. 4Imprint Items): Complete a supply request via PatTrac (See Attachment A). Attach or email PDFs with logos, texts, colors, etc. to Fiscal. Fiscal then works with our assigned reps to build final proofs for you to approve. You will see the final product before purchase. Customized items may not be ordered after May 1st, due to time constraints and fiscal year closeout.*

iv. ***Advertising***: *Complete a supply request via PatTrac (See Attachment A). You will need to reach out to the advertising company and build the advertisement, but fiscal staff needs to be included in correspondence so payment arrangements can be made. Fiscal prefers "pay as we go" advertisements.*

v. ***Workshops***: *Workshop request forms are to be completed and placed in the fiscal office mailbox for processing. Do **NOT** submit via PatTrac. Workshop request forms are required:*

a. *For anyone attending a workshop (e.g. training, conference, or event) that has a cost associated with it;*

b. *For anyone attending a workshop with no cost ($0), but the attendee will be driving a state vehicle.*

1. *Information about the workshop should be attached to the workshop request including registration info, how to pay, hotel stays, etc. Links may also be emailed to fiscal staff. Any prior logins or passwords should be included in the details if needed. Fiscal will register the employee(s) and pay for all workshops. Any hotel/flight/other accommodations that may be needed must be communicated to and arranged through fiscal. Fiscal will not be held liable for any purchases made by the employee without proper approval. For any workshops that are no cost ($0) and don't require transportation, the attendee does not need to submit a workshop request form; however, the attendee must have their supervisor's approval and register themselves.*

2. *Meals & incidental expenses are reimbursable at rates established by the State of Maryland. Employees will only be reimbursed at the established rates at the time, to include tip percentages. It is the employee's responsibility to contact fiscal to obtain those rates prior to travel. These expenses must be accounted for in the final expense report submitted to fiscal.*

vi. ***Expense Reports***: *Immediately upon returning from travel, training, events, etc., employees must contact fiscal and complete expense reports. Appropriate backup to include original receipts must be attached to the expense report. The report requires the employee's Name, Social Security Number or W#, address and signature, along with supervisor's signature.*

3. *Procurement & Interagency Agreements*

a. *DoCHD programs are responsible for the establishment and management of their contracts and interagency memoranda of understanding (MOU) or agreement (MOA). Templates for requests for proposal (RFPs), contracts, and memoranda are available by request from the Fiscal office. The Fiscal office will process all payments upon receipt of invoices and authorizations for payment from the program manager. A template for contracts and memoranda can be requested by contacting the Fiscal office. The following procedure is for all contracts and memoranda:*

i. *Determine the proposed recipient of MOU/MOA/contract and associated funding, as applicable.* ***The MOU/MOA is only for use with Federal, State, or Local government partner agencies only****;*

ii. *Program completes a draft MOU/MOA/contract (NO SIGNATURES);*
iii. *Program completes and signs this MOU/MOA/Contract Checklist (Attachment B);*
iv. *As required (see note below) program submits the draft MOU/MOA/contract to SDI via https://www.cognitoforms.com/MDH3/StrategicDataInitiativeAgreementReview;*
1. *NOTE: Per the MDH Data Use Policy (MDH 01.06.01) contracts and memoranda that include the electronic sharing of data (see Attachment C) with a partner, or the creation of electronic data by the partner on the behalf of DOCHD must go through the MDH Strategic Data Initiative (SDI) for review. The SDI submission workflow can be found in "Attachment C." SDI submission is not required if:*
a. *The data is only shared via paper or by phone;*
b. *No data is involved (e.g. funding, training and educational materials, advertising, or publicly available information)*
v. *Program sends a copy of the MOU/MOA/Contract, associated documents (e.g. checklist, BAA's, budgets, etc.) and the letter with SDI approval, if required, to the Director of Administration or their designee for review;*
vi. *MOU/MOA/Contract and associated documents reviewed and signed by the Health Officer;*
vii. *MOU/MOA/Contract and associated documents returned to the program for partner signature;*
viii. *Send a copy of the completed MOU/MOA/Contract with all signatures sent to the Director of Administration.*

Recommendation 5
The OIGH recommends DoCHD:

a. Ensure all procurement support and bidding documents are maintained for all vendors.
b. Retain documented Sole Source Justifications for all applicable vendor classifications.
c. Maintain all required quotes and decision-making documentation for procurements under $5,000.

Finding 6 – Weakness in Contract Monitoring and Insufficient Documentation of Vendor Agreements
DoCHD did not always monitor the contract compliance and business status of its vendors.

Analysis
The OIGH review of DoCHD's contract monitoring for the audit period disclosed that the department did not always oversee the monitoring process or ensure documentation was complete. Specifically:

- The business standing of 18 vendors from FY22 to FY24 was not verified with the State Department of Taxation prior to entering into agreements.
- Missing or incomplete documentation was identified for 12 vendors, including one in FY22 and 11 in FY24.
- Six contracts provided for two separate vendors lacked essential details, including specific start and end dates.

Criteria

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."*

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."*

Recommendation 6

The OIGH recommends DoCHD:

a. Ensure that all vendors' business standings are verified with the Department of Assessment and Taxation before entering into contractual agreements.
b. Ensure signed and executed contracts are maintained for all active vendors.
c. Ensure every contract includes clearly defined start and end dates.

Finding 7 – Inadequate Documentation and Oversight of Consultant Services

DoCHD failed to maintain required timesheets and contracts for various consultant services.

Analysis

The OIGH review of DoCHD's consultant for the audit period disclosed that DoCHD did not consistently maintain required documentation to support consultant expenditures. Specifically, the review identified:

- No timesheet system was maintained for 14 consultant service invoices, including seven in FY22, four in FY23, and three in FY24.
- No written contracts were maintained for two consultants utilized during FY24.

Criteria

According to LHD Funding Manual: Section 2080.07: Salary, Fringe and Consultants – Documentation:

(a) Salary and fringe costs must be supported by the following:
1) Maintenance of a time-reporting system for personnel funded by the award.
2) maintenance of adequate records supporting charges for fringe benefits and,
3) maintenance of payroll authorization and vouchers.
(b) Consultant costs must be supported by the following:
1) Maintenance of a time-reporting system for consultants funded by the agreement.
2) maintenance of consultants' invoices and,
3) maintenance of consultants' signed agreement and any professional licenses required by law

Recommendation 7

The OIGH recommends DoCHD:

a. **Implement a formal time reporting system including time in and time out for all consultant services.**
b. **Ensure all consultants contracts are maintained.**

Finding 8 – Inadequate Documentation for Rental Contracts and Procurement Support
DoCHD did not always maintain rental agreements and procurement support for certain vendors.

Analysis

The OIGH review of DoCHD's rental contracts for the audit period disclosed that the department did not maintain adequate documentation for all properties and vendors. Specifically, the review identified one rental property where no contract was maintained; additionally, DoCHD did not maintain procurement support documentation for one vendor during the audit period.

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."*

Recommendation 8

The OIGH recommends DoCHD:

a. **Ensure that all vendors have a written and completed Contract/MOU.**
b. **Ensure that all vendors rental procurements documentation is maintained.**

Expenditure

Finding 9 – Improperly Overallocated Indirect Costs
DoCHD over-allocated indirect costs to MDH contracts beyond actual expenditures incurred.

Analysis

The OIGH review of DoCHD's Indirect Cost Allocation for the audit period disclosed that the department over-allocated indirect costs to Maryland MDH contracts. Specifically, DoCHD calculated indirect cost allocations by applying a predetermined percentage to the total expenditures within County Operations (E801N). However, the total indirect costs allocated to MDH contracts exceeded the actual expenditures incurred within E801N. This methodology resulted in overallocations of $308,895 in FY 2022, $68,589 in FY 2023, and $386,129 in FY 2024. Please see the schedule below for more details:

Dorchester County Health Department Schedule of Over-Allocated Indirect Cost Audit Period FY2022 to FY2024			
Fiscal Year	**PCA Number**	**Finding Description**	**Disallowed Amount**
2024	F401N	Over Allocated Amount to MDH Grants	2,568
2024	F522N	Over Allocated Amount to MDH Grants	8,604
2024	F549N	Over Allocated Amount to MDH Grants	1,336
2024	F554N	Over Allocated Amount to MDH Grants	2,945
2024	F557N	Over Allocated Amount to MDH Grants	13,810
2024	F566N	Over Allocated Amount to MDH Grants	3,021
2024	F602N	Over Allocated Amount to MDH Grants	541
2024	F624N	Over Allocated Amount to MDH Grants	1,883
2024	F660N	Over Allocated Amount to MDH Grants	1,763
2024	F661N	Over Allocated Amount to MDH Grants	17,723
2024	F673N	Over Allocated Amount to MDH Grants	2,537
2024	F681N	Over Allocated Amount to MDH Grants	7,791
2024	F691N	Over Allocated Amount to MDH Grants	14,590
2024	F696N	Over Allocated Amount to MDH Grants	1,370
2024	F708N	Over Allocated Amount to MDH Grants	12,704
2024	F720N	Over Allocated Amount to MDH Grants	8,314
2024	F730N	Over Allocated Amount to MDH Grants	7,360
2024	F731N	Over Allocated Amount to MDH Grants	18,188
2024	F738N	Over Allocated Amount to MDH Grants	20,705
2024	F740N	Over Allocated Amount to MDH Grants	525
2024	F741N	Over Allocated Amount to MDH Grants	10,471
2024	F747N	Over Allocated Amount to MDH Grants	11,352
2024	F763N	Over Allocated Amount to MDH Grants	21,851
2024	F765N	Over Allocated Amount to MDH Grants	1,488
2024	F788N	Over Allocated Amount to MDH Grants	2,066
2024	F790N	Over Allocated Amount to MDH Grants	285
2024	F795N	Over Allocated Amount to MDH Grants	14,036
2024	F802N	Over Allocated Amount to MDH Grants	3,503
2024	F804N	Over Allocated Amount to MDH Grants	1,058
2024	F807N	Over Allocated Amount to MDH Grants	374
2024	F810N	Over Allocated Amount to MDH Grants	4,844
2024	F826N	Over Allocated Amount to MDH Grants	3,695
2024	F829N	Over Allocated Amount to MDH Grants	3,998
2024	F840N	Over Allocated Amount to MDH Grants	5,471
2024	F841N	Over Allocated Amount to MDH Grants	8,183
2024	F846N	Over Allocated Amount to MDH Grants	2,223
2024	F854N	Over Allocated Amount to MDH Grants	1,202
2024	F865N	Over Allocated Amount to MDH Grants	2,132
2024	F868N	Over Allocated Amount to MDH Grants	17,990
2024	F870N	Over Allocated Amount to MDH Grants	11,062
2024	F909N	Over Allocated Amount to MDH Grants	7,240
2024	F912N	Over Allocated Amount to MDH Grants	1,870
2024	F914N	Over Allocated Amount to MDH Grants	5,368
2024	F919N	Over Allocated Amount to MDH Grants	1,002
2024	F924N	Over Allocated Amount to MDH Grants	18,969
2024	F926N	Over Allocated Amount to MDH Grants	8,044
2024	F931N	Over Allocated Amount to MDH Grants	8,264
2024	F973N	Over Allocated Amount to MDH Grants	35,869
2024	F979N	Over Allocated Amount to MDH Grants	7,435
2024	F985N	Over Allocated Amount to MDH Grants	5,344
2024	FC03N	Over Allocated Amount to MDH Grants	5,496
2024	FT06N	Over Allocated Amount to MDH Grants	5,664
Total Cost Disallwances FY2024			**386,129**

Dorchester County Health Department Schedule of Over-Allocated Indirect Cost Audit Period FY2022 to FY2024			
Fiscal Year	**PCA Number**	**Finding Description**	**Disallowed Amount**
2023	F501N	Over Allocated Amount to MDH Grants	1,174
2023	F549N	Over Allocated Amount to MDH Grants	282
2023	F557N	Over Allocated Amount to MDH Grants	1,792
2023	F602N	Over Allocated Amount to MDH Grants	352
2023	F660N	Over Allocated Amount to MDH Grants	199
2023	F661N	Over Allocated Amount to MDH Grants	2,198
2023	F673N	Over Allocated Amount to MDH Grants	220
2023	F691N	Over Allocated Amount to MDH Grants	1,865
2023	F696N	Over Allocated Amount to MDH Grants	236
2023	F708N	Over Allocated Amount to MDH Grants	1,576
2023	F720N	Over Allocated Amount to MDH Grants	2,309
2023	F730N	Over Allocated Amount to MDH Grants	1,318
2023	F731N	Over Allocated Amount to MDH Grants	6,625
2023	F738N	Over Allocated Amount to MDH Grants	4,138
2023	F740N	Over Allocated Amount to MDH Grants	60
2023	F741N	Over Allocated Amount to MDH Grants	1,853
2023	F747N	Over Allocated Amount to MDH Grants	652
2023	F755N	Over Allocated Amount to MDH Grants	534
2023	F760N	Over Allocated Amount to MDH Grants	5,238
2023	F765N	Over Allocated Amount to MDH Grants	349
2023	F788N	Over Allocated Amount to MDH Grants	879
2023	F790N	Over Allocated Amount to MDH Grants	721
2023	F795N	Over Allocated Amount to MDH Grants	1,333
2023	F798N	Over Allocated Amount to MDH Grants	1,947
2023	F802N	Over Allocated Amount to MDH Grants	49
2023	F804N	Over Allocated Amount to MDH Grants	26
2023	F807N	Over Allocated Amount to MDH Grants	56
2023	F810N	Over Allocated Amount to MDH Grants	1,432
2023	F829N	Over Allocated Amount to MDH Grants	331
2023	F838N	Over Allocated Amount to MDH Grants	52
2023	F840N	Over Allocated Amount to MDH Grants	2,397
2023	F841N	Over Allocated Amount to MDH Grants	1,717
2023	F846N	Over Allocated Amount to MDH Grants	1,654
2023	F854N	Over Allocated Amount to MDH Grants	231
2023	F865N	Over Allocated Amount to MDH Grants	517
2023	F868N	Over Allocated Amount to MDH Grants	2,251
2023	F870N	Over Allocated Amount to MDH Grants	2,729
2023	F909N	Over Allocated Amount to MDH Grants	1,069
2023	F912N	Over Allocated Amount to MDH Grants	611
2023	F914N	Over Allocated Amount to MDH Grants	303
2023	F919N	Over Allocated Amount to MDH Grants	868
2023	F924N	Over Allocated Amount to MDH Grants	4,581
2023	F926N	Over Allocated Amount to MDH Grants	888
2023	F934N	Over Allocated Amount to MDH Grants	743
2023	F973N	Over Allocated Amount to MDH Grants	3,739
2023	F976N	Over Allocated Amount to MDH Grants	134
2023	F979N	Over Allocated Amount to MDH Grants	2,626
2023	F984N	Over Allocated Amount to MDH Grants	105
2023	F985N	Over Allocated Amount to MDH Grants	41
2023	FC03N	Over Allocated Amount to MDH Grants	814
2023	FT02N	Over Allocated Amount to MDH Grants	375
2023	FT06N	Over Allocated Amount to MDH Grants	401
Total Cost Disallwances FY2023			**68,589**

Schedule of Over-Allocated Indirect Cost Amounts Cost Disallowances Audit Period FY2022 to FY2024			
Fiscal Year	**PCA Number**	**Finding Description**	**Disallowed Amount**
2022	F401N	Over Allocated Amount to MDH Grants	146,196
2022	F488N	Over Allocated Amount to MDH Grants	23,600
2022	F499N	Over Allocated Amount to MDH Grants	(1,188)
2022	F501N	Over Allocated Amount to MDH Grants	1,637
2022	F549N	Over Allocated Amount to MDH Grants	1,094
2022	F557N	Over Allocated Amount to MDH Grants	(1,405)
2022	F601N	Over Allocated Amount to MDH Grants	933
2022	F602N	Over Allocated Amount to MDH Grants	(240)
2022	F660N	Over Allocated Amount to MDH Grants	591
2022	F661N	Over Allocated Amount to MDH Grants	(714)
2022	F673N	Over Allocated Amount to MDH Grants	985
2022	F691N	Over Allocated Amount to MDH Grants	9,000
2022	F708N	Over Allocated Amount to MDH Grants	7,969
2022	F720N	Over Allocated Amount to MDH Grants	3,179
2022	F730N	Over Allocated Amount to MDH Grants	2,652
2022	F731N	Over Allocated Amount to MDH Grants	11,418
2022	F738N	Over Allocated Amount to MDH Grants	7,765
2022	F740N	Over Allocated Amount to MDH Grants	123
2022	F741N	Over Allocated Amount to MDH Grants	4,920
2022	F747N	Over Allocated Amount to MDH Grants	542
2022	F755N	Over Allocated Amount to MDH Grants	268
2022	F757N	Over Allocated Amount to MDH Grants	(34)
2022	F763N	Over Allocated Amount to MDH Grants	16,724
2022	F765N	Over Allocated Amount to MDH Grants	1,208
2022	F788N	Over Allocated Amount to MDH Grants	2,802
2022	F790N	Over Allocated Amount to MDH Grants	4,018
2022	F798N	Over Allocated Amount to MDH Grants	7,607
2022	F802N	Over Allocated Amount to MDH Grants	1,418
2022	F807N	Over Allocated Amount to MDH Grants	42
2022	F810N	Over Allocated Amount to MDH Grants	5,334
2022	F826N	Over Allocated Amount to MDH Grants	1,976
2022	F829N	Over Allocated Amount to MDH Grants	3,005
2022	F838N	Over Allocated Amount to MDH Grants	1,407
2022	F840N	Over Allocated Amount to MDH Grants	1,352
2022	F841N	Over Allocated Amount to MDH Grants	3,246
2022	F846N	Over Allocated Amount to MDH Grants	682
2022	F854N	Over Allocated Amount to MDH Grants	1,215
2022	F865N	Over Allocated Amount to MDH Grants	980
2022	F870N	Over Allocated Amount to MDH Grants	9,729
2022	F909N	Over Allocated Amount to MDH Grants	4,095
2022	F912N	Over Allocated Amount to MDH Grants	3,244
2022	F914N	Over Allocated Amount to MDH Grants	912
2022	F919N	Over Allocated Amount to MDH Grants	4,800
2022	F924N	Over Allocated Amount to MDH Grants	3,687
2022	F926N	Over Allocated Amount to MDH Grants	4,434
2022	F976N	Over Allocated Amount to MDH Grants	643
2022	FC03N	Over Allocated Amount to MDH Grants	2,706
2022	FT06N	Over Allocated Amount to MDH Grants	2,336
Total Cost Disallwances FY2022			**308,895**
Total Cost Disallwances Due to MDH			**763,613**

Criteria
According to LHD Fund System manual 2110.07 Indirect Costs. *"Indirect costs are defined under this policy as those costs which have been incurred for multiple or common objectives (shared costs) or as those costs associated with more than one cost object within that part of the LHD's operation which are both funded by the Department and which are not readily identifiable as direct costs without effort disproportionate to the achievable results."*
The policy explicitly defines indirect costs as those that "have been incurred . . . ." If the predetermined percentage (e.g., applied to E801N County operations) generated an allocation amount greater than what was verifiably spent and recorded in the general ledger, the excess was not "incurred" and is therefore an unallowable over-allocation.

Recommendation 9:
The OIGH recommends DoCHD:
Ensure that all indirect cost amounts are calculated correctly before charging MDH Contracts.

Cost disallowances from the finding above total $763,613 due to MDH.

Sub- Vendor

Finding 10 – Insufficient Sub-Vendor Oversight
DoCHD did not always have adequate controls in place over its Sub-Vendors.

Analysis
The OIGH's review of sub-vendor controls during the audit period disclosed that DoCHD did not always have adequate controls in place for its sub-vendors. Specifically, the review identified:

- Missing monitoring support documentation as required by contract for three sub-vendors, including one for FY 2022 through FY 2024 and two for FY 2023.
- Lack of a formal, executed contract for one sub-vendor during fiscal year 2024.

Criteria
The Standards for Audit of Human Services Sub-Vendors Section III.C.1"Vendor responsibilities states*: "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. C*ontrols 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 10

The OIGH recommends DoCHD:

a. **Ensure all sub-vendors have a written executed Contract/MOU.**
b. **Ensure that all sub-vendors contracts are both monitored and that the monitoring is signed and dated and retained for future reference.**

Equipment

Finding 11 – Weaknesses in Equipment Inventory Control and Accuracy
DoCHD did not consistently comply with equipment inventory control requirements.

Analysis

The OIGH's review of DoCHD equipment inventory system disclosed that DoCHD did not always comply with the DGS Inventory Control Manual. For example:

- 34 total items were not tagged with "Property of the State of Maryland" tag.
- 15 equipment items showed discrepancies with property records, as all 15 items were found in locations different from the locations noted in property records. Additionally, six equipment items were found not to be inventoried in the audit period, with four of those items DoCHD noted as waiting for DGS approval for removal.
- One equipment purchase was posted to the incorrect line item.
- Two equipment items, inventory tag numbers and PCA numbers differed on invoice and inventory system.
- Two equipment items invoice amount differed compared to total amount paid for equipment items. **Cost Disallowances - $390.** See schedule below for more details.

Dorchester County Health Department
Schedule of Equipment Invoice Variance Amounts
Audit Period FY2022 to FY2024

Fiscal Year	PCA Number	Finding Description	Disallowed Amount
2024	F854N	Equipment Item Invoice Amount differed compared to Amount Paid for Equipment Item.	$ 195
2024	F865N	Equipment Item Invoice Amount differed compared to Amount Paid for Equipment Item.	195
Total Cost Disallwances Due to MDH			**$ 390**

Criteria

The DGS Inventory Control Manual, section .03. E. Equipment Identification states:

1. *"Capital equipment items shall be marked with a property identification number and words "Property of the State of Maryland". Agency designation is optional although recommended due to the use scanning equipment to take physical inventory and multiple agencies occupying the same building. The marking shall be conspicuously located on the*

top or side of items so as to be readily seen, and shall be applied in a neat and tasteful manner. (See Appendix V for recommended identification procedures.)

- ***a.*** *Permanent type labels that cannot be removed without damage to the item will be used on all capital equipment items.*
- ***b.*** *If permanent type labels are not practical, the surface of the items shall be etched or indelibly marked."*

The DGS Inventory Control Manual, section B Physical Inventories states *"I. Capital Equipment a. Sensitive Items - A complete physical inventory shall be taken at least once each year. b. Non-Sensitive Items – A complete physical inventory shall be taken at least once every three years.*

It is not necessary that the physical inventory be taken in its entirety on a given date. Periodic checks may be made throughout the period between inventory cycles. However, by the end of each cycle, all items shall have been physically checked.

The 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.*

The DGS Inventory Control Manual, section II. 03 .C Reconciliation of Inventory Records states: *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.

LHDFSM Section 2170.03, Annual Report Filing Deadline states, *"The MDH Form 440 must reflect the actual year to date expenses and receipts through the end of the fiscal year*."

In addition, Section 2110.09, Unallowable Costs states*, "any cost not adequately documented is defined as an unallowable cost."*

Recommendation 11

The OIGH recommends DoCHD:

a. **Ensure all Equipment Items are properly tagged with the "Property of State Maryland" tag.**
b. **Ensure all equipment items are physically located as recorded in property records.**
c. **Ensure all expenditures are posted to the correct line item.**
d. **Ensure all documentation is maintained for equipment disposal.**
e. **Ensure all equipment supporting documentation aligns with total amount recorded in FMIS.**

Cost disallowances resulting from the finding above total $390 due to MDH.

Finding 12 - Missing Equipment

DoCHD did not always safeguard and account for all equipment purchased under MDH funded programs.

Analysis

The OIGH review of DoCHD's Equipment for the audit period disclosed that two equipment items were not verified during the physical inventory walk through. Specifically, one item was disposed of by DoCHD; however, the appropriate disposal documentation was not provided for review. Additionally, the second equipment item could not be verified or retrieved by DoCHD personnel due to an employee's absence. See schedule below for more details:

Dorchester County Health Department Schedule of Missing Equipment Audit Period FY2022 -FY2024			
Fiscal Year	**PCA Number**	**Finding Description**	**Disallowed Amount**
2022	F691N	Missing Item	$ 1,714
2023	F430N	Missing Item	1,000
Total Cost Disallwances Due to MDH			**$ 2,714**

Criteria

According to the Department of General Services (DGS) Inventory Control Manual, "*agencies are required to maintain strict accountability and safeguarding of all State property. Section V.02 Security Measures mandates that agencies "take every precaution that is practical or necessary to protect State property from being lost or stolen," including permanently marking all capital and non-capital equipment as Maryland State property, recording serial numbers, locking and securing sensitive items, and implementing sign-out and return procedures to ensure proper custody and control. Additionally, Section IV.03 General Requirements establishes that all State-owned personal property must be properly controlled, safeguarded, and disposed of only in accordance with DGS procedures, prohibiting items from being stored, transferred, scrapped, junked, or otherwise removed from agency possession without proper authorization and documentation from the Inventory Standards and Support Services Division (ISSSD). Together, these standards require agencies to maintain complete and accurate inventory records, ensure adequate physical safeguards, and follow proper reporting and disposal procedures to prevent loss, theft, or mismanagement of State assets. Failure to meet these requirements resulted in 25 equipment items being missing, indicating that the controls outlined in the Inventory Control Manual were not fully implemented or enforced. 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"*

Recommendation 12

The OIGH recommends DoCHD:

a. Ensure all equipment items are physically verified.

b. Maintain proper disposal documentation for all deleted assets.

Cost disallowances resulting from the finding above total $2,714 due to MDH.

Information Technology Security

Finding 13 – Inadequate IT Technical Controls and Segregation of Financial Duties
DoCHD did not always have adequate controls in place over its technical systems.

Analysis

OIGH's review of DoCHD's information technology systems technical controls disclosed that DoCHD did not have adequate controls in place. For example:

- There was no password policy maintained for the Pat Trac System. Subsequent to the audit period, DoCHD management contacted the software vendor and was notified that a forthcoming system update will include password policy enforcement.
- Separation of duties deficiencies were identified during the review of access control and accountability. Specifically, the clinic clinician has system permissions that allow them to create patient payments and billing entries. This combination of responsibilities compromises the segregation of key financial functions. Consequently, DoCHD is subjected to an elevated risk of financial reporting errors, unauthorized or unrecorded transactions, and potential misappropriation of funds arising from weaknesses in internal control design and execution.

Criteria

The State of Maryland Information Technology Security Manual version 1.2, section Access Control Requirements states: *"Logical access controls are the system-based mechanisms used to designate whom or what is to have access to a specific system resource and the type of transactions*
and functions that are permitted. They include controls that:
Manage user accounts, including activation, deactivation, changes and audits.
•Restrict users to authorized transactions and functions.
• Limit network access and public access to the system.
• Enforce assigned authorizations that control system access and the flow of information within the system and between interconnected systems.
• Identify, document, and approve specific user actions that can be performed without identification or authentication.
• Enforce separation of duties.
• Enforce technical limitations which can prevent unauthorized access to system resources, etc.

Recommendation 13

The OIGH recommends DoCHD:

a. Ensure there are adequate technical controls in place including password policies for systems.
b. Limit DoCHD's clinic clinician to only being able to create patient payments and assign another employee with the task of billing.

Finding 14 – Inadequate Documentation of External Third-Party IT Security Reviews

DoCHD does not maintain proof of review of SOC 2 Type 2 Report.

Analysis

The OIGH's review of Information Technology Security disclosed that DoCHD did not maintain proof of review of independent security review (annual SOC 2 Type 2 report) from an external third party to confirm that sensitive data was being effectively safeguarded.

Criteria

The American Institute of Certified Public Accountants (AICPA) has released recommendations on service organization audits. Customers, such as AOBI, may request an independent auditor's report known as a System and Organization Controls (SOC) for Service Organizations report. SOC reports come in a variety of formats, with differing scopes and levels of review and auditing. The results of the auditor's review of controls in place and tests of operating effectiveness for the period under review are included in one type of report, known as a SOC 2 Type 2 report, and could include an evaluation of system security, data availability, processing integrity, data confidentiality, and privacy.

Recommendation 14

The OIGH recommends DoCHD:

Review SOC 2 Type 2 reports from an external third party and document the review for future reference.

Appendix 1 – Provider Responses

DORCHESTER COUNTY HEALTH DEPARTMENT

CASEY R. SCOTT, MD, MPH
Health Officer

CORRECTIVE ACTION PLAN

Dorchester County Health Department

Final Audit Report: July 1, 2021 through June 30, 2024

Finding 1 – Undermatch of County expenditure on Core Public Health Services
DoCHD failed to meet the required match funding for fiscal years 2023 and 2024.

Corrective Action Plan:

DoCHD disagrees with the analysis and finding that DoCHD did not meet the required match funds for CORE Public Health Services Funding agreement for fiscal years 2023 and 2023.

- **DoCHD intends to appeal this finding to MDH. Required matching funds were spent in each respective fiscal year, but the form B indicating how the funds would be allocated among the county PCA's was not updated. As a result, the additional expenditures were not include in the audit review.**
- **To ensure all required matching fund obligations are fully met each year, the agency budget specialists will monitor county spending, update form B as necessary and confirm county funds are expended as required.**
- **The health officer, director of administration and agency budget specialists will meet quarterly to verify year-to-date expenditures and spending plan for the remainder of each fiscal year.**
- **Prior to signing the annual funding agreement, the health officer, director of administration and agency budget specialists will confirm the required match and local funds are clearly defined.**

Finding 2 – Inadequate Controls Over Collection Reporting and Cash Safeguarding
DoCHD did not accurately record collections or properly secure physical cash folders.

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD did not accurately record collections or properly secure physical cash folders.

- To strengthen internal controls over financial reporting, all employees who handle cash have been given the Collection and Deposit Procedures Policy for review.
- DCHD has re-educated all employees who reconcile the collections report to verify that the collection logs matches FMIS during the fiscal year.
- The collection reports and FMIS reconcilation will be verified by a second employee twice a year to ensure accuracy. The second employee will sign and date a copy of each collection log to confirm review has been completed.
- The DCHD Fee Policy – Setting of Charges and Collection of Fees will be updated to mirror the Collection and Deposit Procedures Policy and include the following verbiage: "All fees collected will be kept in a secured (locked) location in the department until they are taken to the fiscal office to be signed off" (To be completed by 9/30/26)
- All employees handling cash now have a locking drawer and/or cabinet to safeguard collections until given to Fiscal. (Completed 6/1/26)

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

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD did not bill patients in a timely manner.

- The delayed billing found in the audit review was specifically related to an issue with the licensing at the DCHD Behavioral Health location. The licensing issue has been resolved and billing will be timely going forward.
- The Billing Department Supervisor will perform quarterly spot checks to ensure timely billing is being performed at the COMAR standard of three written bills at 30-day intervals.

Finding 4 – Delayed Sending Overdue Accounts to CCU
DoCHD did not always send patients' overdue accounts to the central collection unit in a timely manner

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD did not always send patients' overdue accounts to the central collection unit in a timely manner.

- The billing staff has been re-educated in timely billing procedures and a written bill will be sent to clients three times in 30 day intervals.
- If the balance remains unpaid, a final letter will be issued with a ten day deadline to respond.
- Accounts that remain deliquent after the 10 day deadline will be forwarded to the Central Collection Unit in accordance with DCHD's Fee Policy – Setting of Charges and Collection of Fees
- The billing department manager will monitor delinquent accounts on a quarterly basis to ensure timely billing is being performed.

Procurement

Finding 5 – Inadequate Procurement Supporting Documentation
DoCHD did not consistently maintain required procurement support documentation during the audit period.

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD did not consistently maintain required procurement support documentation during the audit period.

- **Program managers have received and read the criteria for vendor documentation retention.**
- **A reference guide for retention requirements will be created and distributed to program managers to clarify what records need to be maintained. (To be completed by 9/30/26)**
- **Program managers and fiscal department staff have been re-educated on the definition of sole-source vendors and the required documentation.**

Finding 6 – Weakness in Contract Monitoring and Insufficient Documentation of Vendor Agreements
DoCHD did not always monitor the contract compliance and business status of its vendors.

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD did not always monitor the contract compliance and business status of its vendors.

- **A designated Contract Monitor has been identified to review all contracts and verify all required details are included in contracts prior to execution of contracts.**
- **Confirmation of vendor business standing with the Department of Assessment and Taxation has been added to the contract checklist used during the development of contracts.**

Finding 7 – Inadequate Documentation and Oversight of Consultant Services
DoCHD failed to maintain required timesheets and contracts for various consultant services.

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD failed to maintain required timesheets and contracts for various consultant services.

- **The previously identified Contract Monitor will confirm that all contracts for consultant services contain an addendum specifiying time keeping requirements, including times in and out.**
- **The addendum for time keeping requirements will been added to the contract checklist used during the development of contracts. (To be completed by 6/30/26)**

Finding 8 – Inadequate Documentation for Rental Contracts and Procurement Support
DoCHD did not always maintain rental agreements and procurement support for certain vendors.

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD did not always maintain rental agreements and procurement support for certain vendors.

- The newly established contract monitor will ensure that all vendors have a written and fully executed Contract or MOU.
- The contract monitor will also maintain procurement support documentation files.
- To further confirm that current contract/MOU is in place, fiscal staff will verify current contract/MOU is in the shared fiscal scan drive prior to processing any payments and note it on the supply request.

Expenditure

Finding 9 – Improperly Overallocated Indirect Costs
DoCHD over-allocated indirect costs to MDH contracts beyond actual expenditures incurred.

Corrective Action Plan:

DoCHD disagrees with the analysis and finding that DoCHD over-allocated indirect costs to MDH contracts beyond actual expenditures incurred.

- DoCHD intends to appeal this finding to MDH.
- The indirect allocations did not exceed the allowable maximums within each grant. Former fiscal staff recorded all indirect charges to a single budget leading to the appearance of an over-allocation of indirect, but the expenditures in other county PCAs offset the indirect in the single PCA.
- The agency budget specialist and the director of administration will review indirect charges quarterly and modify county and core budgets as needed.

Sub- Vendor

Finding 10 – Insufficient Sub-Vendor Oversight
DoCHD did not always have adequate controls in place over its Sub-Vendors.

Corrective Action Plan:

DoCHD disagrees with the analysis and finding that DoCHD did not always have adequate controls in place over its Sub-Vendors.

- DoCHD maintains that monitoring of sub-vendors has been in compliance according to specific program requirements.
- Program managers have been re-educated on sub-vendor oversight requirements.
- A system for documenting compliance will be developed and implemented by 9/30/26.

Equipment

Finding 11 – Weaknesses in Equipment Inventory Control and Accuracy
DoCHD did not consistently comply with equipment inventory control requirements.

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD did not consistently comply with equipment inventory control requirements.

- Staff tasked with inventory attended the recent MDH inventory training seminar and have been re-educated on inventory controls and requirements.
- During annual inventory process, staff will ensure equipment items will have tags that say "Property of the State of Maryland" and that the location of items is accurately recorded. This review will be completed by 9/30/26.

Finding 12 - Missing Equipment
DoCHD did not always safeguard and account for all equipment purchased under MDH funded programs.

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD did not always safeguard and account for all equipment purchased under MDH funded programs.

- Staff tasked with inventory attended the recent MDH inventory training seminar and have been re-educated on inventory controls and requirements.
- The two items in question cannot be located due to one broken piece of furniture being disposed of, and because the other piece of equipment was in the possession of an employee who passed away.

Finding 13 – Inadequate IT Technical Controls and Segregation of Financial Duties
DoCHD did not always have adequate controls in place over its technical systems.

Corrective Action Plan:

DoCHD disagrees with the analysis and finding that DoCHD did not always have adequate controls in place over its technical systems.

- DCHD's Information Technology department is maintaind by MDH's Office of Enterprise Technology (OET) and is required to follow its regulations and guidance.
- There is a password policy in place for MDH systems. OET has contacted the software company in question (PatTrac) and learned that the new version of PatTrac has begun rolling out, which includes password requirements and third party authentication. https://update.pattrac.info/announcements/pattrac-2-0-system-update-notice
- OET is also in contact with PatTrac regarding putting restrictions on on the clinician's access to patient billing; at this time the clinician will voluntarily adhere to the requirements until a hard fix is available.

Finding 14 – Inadequate Documentation of External Third-Party IT Security Reviews
DoCHD does not maintain proof of review of SOC 2 Type 2 Report.

Corrective Action Plan:

DoCHD agrees with the analysis and finding that DoCHD does not maintain proof of review of SOC 2 Type 2 Report.

- **DoCHD's Information Technology department is maintaind by MDH's Office of Enterprise Technology (OET) and is required to follow its regulations and guidance.**
- **All SOC 2 Type 2 Reports will be reviewed on a monthly basis by the Director of Information Technology and keep a written log of the review. The Director of Administration will review the log quarterly to verify compliance.**

Appendix 2 – Auditor comments to Provider Response's

Finding Number	Brief Description	DoCHD's Responses
1	Undermatch of County Expenditure on Core Public Health Services	DoCHD disagrees with the analysis and the finding that DoCHD did not meet the required match funds for CORE Public Health Services Funding agreement for fiscal years 2023 and 2023. DoCHD intends to appeal this finding to MDH. Required matching funds were spent in each respective fiscal year, but the form B indicating how the funds would be allocated among the county PCA's was not updated. As a result, the additional expenditures were not include in the audit review. To ensure all required matching fund obligations are fully met each year, the agency budget specialists will monitor county spending, update form B as necessary and confirm county funds are expended as required. The health officer, director of administration and agency budget specialists will meet quarterly to verify year-to-date expenditures and spending plan for the remainder of each fiscal year.

Auditor Comments: After further review of the application requirements, OIGH maintains its position regarding the finding related to the undermatch of County expenditures for Core Public Health Services Program and the recommendation that DoCHD return the unmatched amount to MDH Core Public Health Funds.

Pursuant to COMAR 10.04.01.04 and Maryland Health-General Article & 2-303, local matching funds are required as a condition for the distribution of State funding to a subdivision. Accordingly, the full distribution of State funds was contingent upon the County satisfying the required matching threshold. When the County under-matched its required contribution, the State's proportional share was effectivey over-distributed.

Based on this condition, OIGH's position is that DoCHD's failure to meet the required local match constitutes noncompliance with the regulatory funding requirements. Therefore, MDH has the authority to proportionally reduce or recover the State share assocuated with the under-match amount. This forms the basis for OIGH's recommendation that DoCHD return the unmatched amount to the MDH Core Public Health Services Program funds.

9	Improperly Overallocated Indirect Costs	DoCHD disagrees with the analysis and the finding that DoCHD over-allocated indirect costs to MDH contracts beyond actual expenditures incurred. DoCHD intends to appeal this finding to MDH. The indirect allocations did not exceed the allowable maximums within each grant. Former fiscal staff recorded all indirect charges to a single budget leading to the appearance of an over-allocation of indirect, but the expenditures in other county PCAs offset the indirect in the single PCA. The agency budget specialist and the director of administration will review indirect charges quarterly and modify county and core budgets as needed.

Auditor Comments: Upon review of the explanation and further examination of the supporting documentation, the OIGH maintains its position that the finding should stand. While DoCHD asserts that the indirect cost allocations did not exceed the allowable maximums for each grant, budgetary ceilings do not constitute an entitlement to funds; contract reimbursement is strictly limited to actual documented expenditures that provide a direct or allocable benefit to the specific award. Furthermore, the agency's admission that former staff posted all indirect charges into a single budget code (PCA) and relied on purported "offsets" from other county PCA's describes a flawed accounting practice that violates fundamental cost accounting principles. Under LHDFSM, COMAR and Federal Uniform Guidance, costs must be accurately recorded in the general ledger, properly supported, and distributed based on a documented methodology that reflects the relative benefit received by each program. Relying on unrecorded offsets or shifting costs between unrelated cost centers to justify on over-allocation obscures the true financial reality and constitutes improper cross-subsidization. Although the OIGH acknowledges DoCHD's prospective corrective acton plan to review indirect charges quarterly, this future control does not resolve the historical lack of documentation or the inaccurate cost allocations recorded during the audit period. Therefore, the excess indirect allocations identified for FY 2022, FY 2023, and FY 2024 remain unallowable.

10	Insufficient Sub-Vendor Oversight	DoCHD disagrees with the analysis and finding that DoCHD did not always have adequate controls in place over its Sub-Vendors. DoCHD maintains that monitoring of sub-vendors has been in compliance according to specific program requirements. Program managers have been re-educated on sub-vendor oversight requirements. A system for documenting compliance will be developed and implementd by 9-30-26.
Auditor Comments: Upon review of the explanation and further examination of the supporting documentation, the OIGH maintains its position that the finding should stand. Review disclosed DoCHD did not always have adequate controls in place over its sub-vendors during the audit period. Review of supporting documentation disclosed monitoring support was not provided for three sub-vendors and DoCHD did not have a contract with one sub-vendor.		
13	Inadequate IT Technical Controls and Segregation of Financial Duties	DoCHD disagrees with the analysis and finding that DoCHD did not always have adequate controls in place over its technical systems. DoCHD's Information Technology department is maintained by MDH's Office of Enterprise Technology (OET) and is required to follow its reguations and guidance. There is a password policy in place for MDH systems. OET has contacted the software company in question (PatTrac) and learned that the new version of PatTrac has begun rolling out, which includes password requirements and third party authentication. https://update.pattrac.info/announcements/pattrac-2-0-system-update-notice OET is also in contact with PatTrac regarding putting restrictions on on the clinician's access to patient billing; at this time the clinician will voluntarily adhere to the requirements until a hard fix is available.
Auditor Comments: Upon review of the explanation and further examination of the supporting documentation, the OIGH maintain its position that the finding should stand. Review of supporting documentation disclosed an employee with permissions to Electronic Records System that does not align with their job duties, that DoCHD does have the ability to correct. Regarding DoCHD response about the password policy in Pat Trac auditors will note DoCHD's response that the new version will include a Password requirement.		

Audit Team

Chau Nguyen, CPA
Chief Auditor

Isis Powell
Audit Supervisor

Demissie Gebremedhin
Staff Auditor

Tsehaye Ambaye
Staff Auditor

Plennis Randall
Staff Auditor

Audit Job Number: 340