



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

March 17, 2014

Honorable Members of the County Council  
Harford County, Maryland  
212 S. Bond St., 2<sup>nd</sup> Floor  
Bel Air, MD 21014

County Executive David Craig  
Harford County, Maryland  
220 S. Main St.  
Bel Air, MD 21014

Dear Council Members and Mr. Craig:

In October 2013, my office received some confidential allegations of fraud and abuse within the Harford County Health Department. In reviewing those matters, I determined that an audit was needed to confirm the Health Department's internal controls and investigate the allegations. In accordance with Section 213 of the Harford County Charter, we have performed an audit of the Harford County Health Department.

While the audit did not find anything to support the fraud and abuse allegations received, the Health Department was unable to provide us with sufficient documentation for a number of transactions.

The audit also disclosed that HCHD has several internal control deficiencies that should be addressed. These are issues that significantly reduce the reliability of the financial information that may be reported by HCHD. In prior years, the Harford County Health Department has been exempted from Financial Statement Audit, in accordance with Harford County Charter §213 as an agency "whose entire records, accounts, and affairs are completely audited each year by the State or Federal government". We have determined that, although HCHD is included in the State of Maryland's audited financial statements, not all of its accounts are captured in that report. In the future, HCHD should generate independently audited financial reports that detail its use of County Funds.

We also noted issues related to client account adjustments and Environmental Health payments. The concerns identified during the audit are detailed in the attached report.

During the audit period, the Health Department made changes to its management team, to include a new Director of Administration, Chief Fiscal Officer and Compliance Officer. The

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Audit Report No.: 2013-A-09

group has been working to implement new procedures throughout the Department. We would like to thank the members of management for their cooperation during the audit. The audit team is available to respond to any questions you have regarding the attached report.

Sincerely,

*Chrystal Brooks, CPA*

Chrystal Brooks, CPA, CGFM, CIA, CISA, CGAP, CRMA  
County Auditor

cc: Ms. Susan Kelly, Health Officer



HARFORD COUNTY, MARYLAND  
Office of the County Auditor

**AUDIT OF HARFORD COUNTY HEALTH DEPARTMENT**

Period Covered:  
**07/01/2011 through 06/30/2013**

**Report Number: 2013-A-09**

Date Issued:  
**03/17/2014**

**Audit Team:**

Chrystal Brooks, CPA, CIA, CGAP, CISA, CGFM, CRMA  
County Auditor

Laura Tucholski, CPA, CFE, CRMA  
Auditor

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## **BACKGROUND INFORMATION**

### **INTRODUCTION AND KEY STATISTICS**

The Harford County Health Department (HCHD) provides services to the community in accordance with State and County laws. The Health Officer is appointed by the Board of Health (County Council); its employees are State of Maryland employees. Each year, the County appropriates approximately \$4,000,000 to pay for State employee salaries, Addictions and Teen Diversion Programs. That funding is supplemented by State and Federal grants and charges for services provided in its clinics. Through its various revenue sources, the HCHD bank accounts collected \$4.9 million in FY2012 and \$5.7 million in FY2013.

HCHD is also responsible for Environmental Health services such as Well and Septic Permits and Food Facility licensing and inspection. Environmental Health fees are paid to the County, but are dedicated for Environmental Health uses.

Although, the Health Department is an independent agency, it does not create its own financial statements; most of its financial information is captured by the State of Maryland in its financial reports. Utilizing the State of Maryland's FMIS system for accounting, the Department of Health and Mental Hygiene (DHMH) processes payments on behalf of the HCHD and invoices HCHD for those costs.

### **REVIEW OBJECTIVE, SCOPE AND METHODOLOGY**

The objective of this review was to examine the accounts and records related to revenue and expenditures of the Harford County Health Department. Specifically, we sought to determine if controls over the financial reporting of revenue and expenditures, collections and timekeeping are adequate. We also sought to determine if there are unexpended appropriations held by the Health Department.

The audit focused on activity during the period of 07/01/2011 through 06/30/2013; for some procedures, we extended our testing to cover the period from 07/01/2010. Our audit procedures included interviewing personnel, observation and testing and were designed to address the use of County funds and allegations of fraud and abuse.

Specifically, we reviewed bank reconciliations and support for payments to vendors. This included ensuring that expenses were captured correctly and completely for financial reporting purposes. This testing required an evaluation of inventory held by the health department. We also reviewed the process for reporting and allocating payroll. Since the County appropriates funds to the Health Department each year, we performed procedures to confirm that appropriations were used in the period allowed.

For the County funded programs, Addictions, Teen Diversion and Environmental Health we reviewed the processes for billing clients and ensuring that payments are collected. We additionally attempted to confirm that write-offs of client balances are done appropriately.

The audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient 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.

## **REVIEW RESULTS**

Harford County Health Department management is responsible for establishing and maintaining effective internal controls. 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 safeguarding of assets and compliance with applicable laws, rules and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected.

Our procedures disclosed the fraud allegations reported to our office were not supported. Health Department officials were able to provide documentation to address our questions. However, we noted instances where documentation to support the transactions was insufficient and appropriateness could not be determined.

The review of bank reconciliations showed that reconciliations were performed each month. We also noted that reconciliations of FMIS transactions are done prior to issuing payment to DHMH. Additionally, client payments are reconciled to bank deposits monthly.

For transactions that are entered into the accounting system, costs were allocated to the proper Programs and Object Codes (expense descriptions). However, a significant number of payments are not entered or captured in FMIS and are therefore not captured in the HCHD financial reports. We also found that the only income captured in the financial reports is for State Programs. Dental Clinic and other revenue have not been recognized so that it can be appropriated for spending. A prior review showed that the Health Department had unspent County funds in its bank accounts. These are funds that cannot legally be spent. We determined that the FY2013 County appropriation was completely used.

Since there are costs that are not captured in the financial records, we sought to determine if items purchased are being properly tracked and accounted for. We found that HCHD does not have a comprehensive inventory system in place. Information Technology items and Vehicles are maintained in a list, but other fixed assets such as furniture and

equipment are not uniquely identified and tracked. Lack of a comprehensive inventory system increases the risk of HCHD property being lost or stolen.

We noted that payroll is primarily processed by DHMH and Maryland's Central Payroll Bureau. The exception based reporting process appears reasonable to ensure that employees are only paid for hours worked. The HCHD employees were vigilant about maintaining patient information confidentially, but we noted that many reports and forms contain full employee social security numbers which are not secured.

Our tests of Addictions and Teen Diversion accounts showed that client accounts are billed correctly for services provided and payments are applied correctly to accounts. In our test of adjustments to patient accounts, we were able to determine why a specific amount was removed from a patient account, but in many cases there was no documentation explaining or approving the adjustment. There was also no supervisory review of the adjustments. Patient balances could be waived inappropriately.

We found many account balances that were written off because of no response from an insurance company. While patient balances are aged and sent to the Central Collections Unit when they are older than 90 days, insurance balances are not aged, resulting in balances that are not reviewed timely enough for follow-up.

Our review of the services provided by Environmental Health (EH) showed that procedures for receiving and depositing customer payments varied by service. Generally, receipts are only provided to customers when requested. Payments are tracked mostly via spreadsheet, but the spreadsheets do not contain enough information to determine that a particular service was paid for. EH has taken steps to address this issue for Food Establishment permits, but has not yet adopted new procedures for the other services.

Since we could not confirm individual payments, in most cases, we performed analytical procedures to determine that the revenue totals collected were reasonable. The revenue did appear reasonable. We also analyzed the Food Facilities receipt data for reasonableness. That test noted some fees charged did not agree to the County Code. Upon further review, we found that employees were able to change the fee amounts in the system. Historically, Environmental Health's unwritten policy has been to deny partial payments, but in some cases, partial payments were accepted. Newly developed procedures formalize the requirement for full payment.

Areas for improvement are described in the Findings and Recommendations section of this report. Management has provided a general response which follows this report.

## FINDINGS AND RECOMMENDATIONS

### **Finding Number: 2013-A-09.01 Incomplete Financial Reporting**

**Some transactions were not supported or captured for financial reporting purposes.**

**Analysis:** Harford County Health Department processes many accounting transactions using the State's accounting system (FMIS) so that payments are issued on behalf of the Health Department by the State. Monthly, HCHD reimburses the State for the payments that have been made on its behalf. When transactions are entered in FMIS, the system captures the category of expense and related program for cost allocation. HCHD also writes checks from its various bank accounts.

We tested a sample of 50 transactions from the FMIS and other check registers to determine if transactions were properly approved and allocated to the correct programs and expense categories. We noted:

- 14 were not entered in FMIS and therefore could not be allocated to the proper programs
- 3 had no documentation supporting the payment
- 6 payments were made without sufficient documentation supporting the approval of the purchase requisition or department head approval of the invoiced amount

Revenue received by HCHD is reported to the State only for state-funded programs. This means that Dental Clinic revenue, interest payments and other income are not recorded in the accounting system.

We attempted to determine the impact of the transactions that are not included in FMIS and found approximately \$548,000 in expenditures were not recorded in the accounting system for FY2012. For FY2013, the unrecorded expenses were approximately \$51,000. Of the expenditures that were unrecorded, we noted that approximately \$223,000 was for computers and \$230,000 was used for construction of the dental clinic. Both of these projects should have created capital assets for the HCHD; however, HCHD does not maintain a detailed inventory and asset list so we were unable to confirm if these amounts are completely and correctly included in the assets reported by HCHD to the State.

Consequently, reports that HCHD generates for management are incomplete. HCHD reports cannot be relied upon to confirm its proper use of County appropriations.

**Recommendation:** We recommend HCHD record all of its transactions in one accounting system. We further recommend that within 3 months of the close of each fiscal year, HCHD provide, to the County Government, audited financial reports of its use of County funds,



presented in accordance with accounting principles generally accepted in the United States of America.

**Management Response:** Management at the Harford County Health Department (HCHD) agrees with the recommendation that all financial transactions should be recorded into one accounting system. A procedure has been developed and implemented to assure that all expenses/collections will be recorded into the State's Financial Management Information System (FMIS).

**Expected Completion Date:** 02/28/2014

**Management Response:** Management agrees with the recommendation to provide the County Government an audited financial report on the use of County funds awarded. The Department of Health and Mental Hygiene (DHMH) does not complete its final reconciliation of the County funds until late September/early October. Therefore, HCHD is requesting that the audited financial report of its use of County funds be completed and submitted within six months of the close of each fiscal year to assure that all transactions related to the County funds are reconciled.

**Expected Completion Date:** 12/31/2014

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**Finding Number: 2013-A-09.02 Appropriation Authority**

**Some funds held by HCHD are not properly appropriated for use.**

**Analysis:** In 2013, independent auditors performed agreed-upon procedures for the Health Department to determine the composition of the health department's bank balances. The related report indicated that \$1,681,696 of unexpended County funds were being held by HCHD at the end of fiscal year 2012. Additionally, balances included \$944,625 for which a source could not be identified.

We have been advised that the County's Legislative and Executive officials are aware of the balances held by the Health Department. The funds were expected to be used to complete a new Health Department facility. Although officials were aware of the planned use, authority, in the form of a County appropriation, has not been granted, so the funds cannot be legally spent. Appropriations expire on June 30 of each year unless they are designated as a Capital Project in the County's budget ordinance. Per section 519 of the County Charter, "Unless otherwise provided by law, all unexpended and unencumbered appropriations in the current expense budget remaining at the end of the fiscal year shall revert into the County general fund."

For FY2013, we attempted to determine if all County appropriated funds had been used. Using only the transactions that were recorded in the State's accounting system, we found that none of the FY2013 County appropriation was unused. (We have noted in another audit finding that the accounting system records are incomplete.) We also noted that the County's budget ordinance makes appropriations for "Health Department", "Community Mental Health" and "Addiction Services". Additional budget details are included in the "Annual Operating Budget" book. That document indicates that the "Health Department" appropriation is intended to pay for the "County's share of State employee's salary." when it considers and approves the budget. It is not clear whether Addictions or Mental Health or other salaries or expenses may also be paid from this funding. In practice, the County pays rent on behalf of the Health Department, as well as the Health Officer's salary from this appropriation. The remaining amount is paid to HCHD or the State Department of Health and Mental Hygiene.

Consequently, Harford County Health Department is holding funds that it cannot legally spend.

**Recommendation:** We recommend HCHD develop a policy that determines the order in which revenues will be allocated to various program costs to ensure that appropriations are used most efficiently. We further recommend that future Harford County budget ordinances specify any limitations on the use of County Funds by the Health Department and include capital projects for the Health Department where appropriate. Finally, we recommend the Health Department return expired appropriations to the County.

**Management Response:** Management agrees with the finding to develop a policy that reflects the order in which revenues are allocated to various program costs and that ensures appropriations are used most efficiently. Following is the current practice of HCHD: 1) DHMH categorical grant funds and other grant funds that are awarded with specific conditions and an approved line item budget are expended as prescribed; 2) DHMH Core funds are awarded with specific conditions but are not held to an approved line item budget and these funds are fully expended on specific program activities as well as Administration expenses; and 3) County funds are expended on Administration, Environmental Health, Addictions, and Teen Diversion. DHMH Core funds for Administration are utilized before the County funds are expended.

**Expected Completion Date:** Policy Completion date - 03/14/2014

**Management Response:** Management agrees that the future Harford County budget ordinances should specify any limitations on the use of County funds by the Health Department. Management will defer to Harford County Government for definitive guidance on any limitations on the use of County funds by the Health Department and will schedule a meeting with the Chief of Budget and Management Research in the next week to discuss the specifics.

**Expected Completion Date:** Meeting held with the Chief of Budget and Management Research

and the Director of Administration at Harford County Government on March 13, 2014.

**Management Response:** Management agrees that the Health Department return expired appropriations to the Harford County Government.

**Expected Completion Date:** 06/30/2014

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**Finding Number: 2013-A-09.03 Documentation for Patient Account Adjustments**

**Adjustments to patient accounts are not reviewed for propriety and supporting documentation is not maintained.**

**Analysis:** The Harford County Health Department manages client accounts for the Addictions, Health and Dental Clinics and the Teen Diversion Program in the Pattrac system. When new clients begin services, their financial and insurance information is collected and entered into the Pattrac system. The system calculates a fee schedule for the client at that time. When services are provided, the appropriate service code is entered into the system by the Clinic Staff. Receipts are written by the Clinic Staff when payments are made at the time of service.

Payments are entered in Pattrac by the fiscal office staff from clinic receipts, insurance Explanation of Benefits and other payee information. When a client's fee schedule is less than the full rates, the system automatically calculates an Ability-To-Pay adjustment for each applicable charge. In our sample of 30 client account files, we noted that 6 accounts receiving Ability-to-Pay adjustments did not have documentation confirming the client's reported financial information.

All other adjustments are made manually by the fiscal staff. Many manual adjustments are made to recognize the maximum amount an insurance company will pay or to move an old account to the State's Central Collections Unit. There are many scenarios in which adjustments are made to reduce the amount owed on a client account.

In reviewing the process for adjustments with HCHD employees, we noted that both clinic and fiscal staff may adjust the services charged on a client account. We were also advised that, although an explanatory form should be completed for each adjustment, there is no regular review of the manual adjustments. Consequently, a client account balance may be reduced inappropriately without detection.

We tested a sample of 50 manual adjustments to patient accounts and noted 21 were not supported by an adjustment form or insurance Explanation of Benefits. Further, 26 of the write-offs were unrelated to an insurance adjustment; 18 of those did not have documentation of

supervisory approval. We noted that many of these adjustments were done because the insurance claim was not filed timely or because no response was received from the insurance company. These types of adjustments result when outstanding balances are not reviewed promptly. Generally, insurance companies allow at least 180 days for claims submission; the adjustments were often made more than 1 year after the dates of service.

**Recommendation:** We recommend management review all non-insurance adjustments, and a sample of insurance related adjustments, for appropriateness on a periodic basis. We further recommend explanatory and approval documentation be maintained for all adjustments that are not related to an Explanation of Benefits.

**Management Response:** Management agrees that a periodic review of adjustments to client accounts should be performed. Management will review client folders to assure that proper documentation to support a fee adjustment based on the client's ability to pay is maintained in the file. In addition, a procedure is being developed to assure that non-system generated adjustments or adjustments related to Explanation of Benefits will be reviewed and approved by management before the adjustment is done and that documentation supporting the adjustment is maintained on file. Management will perform a review of these transactions on a quarterly basis to assure appropriateness.

**Expected Completion Date:** Procedure completion - 04/01/14. Management reviews completed on a quarterly basis beginning 07/01/14.

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#### **Finding Number: 2013-A-09.04 Environmental Health Cash Collections**

**Procedures can be improved to ensure that payments are received for all services provided by Environmental Health.**

**Analysis:** Although it is a component of the Health Department, Environmental Health provides services to County residents and collects fees on behalf of Harford County Government. The money it collects is deposited directly to the County Treasurer.

Currently, Environmental Health uses multiple processes for collecting and recording payments from customers. The department uses the Pattrac system to keep track of its customers and the services it provides. In some cases, customer receipts are generated within Pattrac, but in most cases they are not. Other than for food facilities, payments are entered into a spreadsheet which is printed and provided to the Treasurer's Office with the related cash and checks. We noted that the deposit spreadsheet shows who paid for the service and what revenue code the payment should be applied to. However, the spreadsheet does not include an address, property identifier,

payment date or other information that might allow the payment to be associated with a service that was provided. We noted that the deposit for Food Facilities does not include a summary of its contents.

We attempted to determine that services provided by Environmental Health were paid for. In some cases, we were able to identify the related payment, but the process required research in multiple files and systems. We were able to confirm that the Treasury department stamped the customer application for some of the payments that were received. Using analytical tests, we were able to confirm that the total revenue received by the Treasurer was reasonable; however, for 24 of the 63 items tested, we were unable to identify the specific payment related to the transaction.

We were advised that a new process has been developed for the Food Facilities to record payments and generate details for each deposit. The new process is reasonably designed to ensure that deposits are complete and payments can be associated with a particular establishment. The new process has not been implemented for any of the other services provided by Environmental Health.

**Recommendation:** We recommend all customer payments be recorded using the receipt process with the PatTrac system so that they are linked to a particular establishment, service or property and Treasury deposit.

**Management Response:** Management agrees that all customer payments should be recorded using the receipt process in the PatTrac System so they are linked to a particular establishment, service or property, and Treasury deposits. The new process that was developed and implemented for the Food Facilities Service to record payments and generate details for each deposit has been implemented for all other services provided by the Bureau of Environmental Health.

**Expected Completion Date:** 02/28/2014

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**Finding Number: 2013-A-09.05 Food Facility Fees**

**Fees for food establishments may be collected at incorrect rates.**

**Analysis:** The Harford County Code establishes the fees for Food Service Facility inspections and licensing in Chapter 157, Section 27. This fee schedule characterizes facilities into one of 7 "Groups" based on the nature and size of the operation; each service has a distinct fee for each group. Not-for-profit entities are included in Group V and are not charged for any of the Food

Service Facility fees.

We performed data analysis to determine that each receipt entered in Pattrac had the correct fee for its service type and group. We noted 16 exceptions. Additionally, by searching through the comments for each receipt, we identified 15 transactions whose description indicated a different service than the one charged and 14 transactions that indicated a partial payment was being made. Review of the exception details showed that in some cases, a service and group were entered that would total the amount of the fee being paid. For example, four \$25 temporary facility permits might be grouped together as one Group 1 Change of Ownership fee, which is \$100. For the transactions that appeared to be partial payments, management advised that in some cases, the facility type or group may change after an on-site inspection. This would lead to an additional amount being due. In instances that were truly partial payments, there is no way to track an amount that remains due. The department recently developed a formal procedure that does not allow partial payments of these fees.

We also noted a number of facilities that had multiple receipts but were charged under different groups. The facilities on the receipts are not always recorded with consistent names. For example, spaces or periods might be entered between the letters of an acronym or "Inc." might be included or excluded from the name. As a result we did not determine, how many facilities were charged using different groups. Also, since group V facilities have no charges or receipts entered in the system; we could not tell if a facility had been moved to Group V.

These issues are matters that can be resolved through automated controls. Without appropriate automated controls or detailed management review of each transaction, customers may be charged the incorrect amount or not charged at all.

**Recommendation:** We recommend the Harford County Health Department consider changes to the Pattrac system that would automatically populate the "Group" field and restrict cashiers' ability to change fees. We additionally recommend management periodically review a sample of the facilities in Group V to confirm that they are not-for-profits.

**Management Response:** Management agrees with the recommendation to change the PatTrac System to automatically populate the "Group" field and authorized the Information Technology Supervisor to make the change. In addition, management instructed the Information Technology Supervisor to restrict the cashier's ability to change the fees for services. Procedures were put into effect to allow only management in the Bureau of Environmental Health to make necessary fee changes. Furthermore, management in the Bureau of Environmental Health is required to document a reason on the receipt where the adjustment is made. These automated controls will eliminate incorrect charges to customers.

**Expected Completion Date:** 02/12/2014

**Management Response:** Management agrees with the need to perform periodic reviews of a sample of the facilities in Group V to confirm that they are not-for-profit. On a quarterly basis, management will generate a list of customers that are not-for-profit and verify that the organizations listed have current tax exempt status.

**Expected Completion Date:** 04/01/2014 for first review. Quarterly reviews thereafter.

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**Finding Number: 2013-A-09.06 Multiple Bank Accounts**

**Harford County Health Department regularly uses a large number of bank accounts.**

**Analysis:** We noted that during our review period, the Health Department had 13 open bank accounts with 4 banks. Most of the accounts were opened using the State of Maryland's tax identification number, but 3 were opened with the Harford County Government's tax identification number. During, and subsequent to, our audit period the Health Department has taken steps to close some of the accounts. Currently, 9 accounts remain open. One active account is associated with the County tax identification number; the County Treasurer was not aware of this account.

We noted that the Health Department has generally segregated its funds into different bank accounts by Program. As a result checks are written to transfer funds between the accounts to pay invoices. In generally accepted governmental accounting standards, segregation of funds by program is an accounting function, not a treasury function. By using multiple banks and accounts instead of a fund accounting system, fiscal management becomes less effective. This process requires more bank reconciliations, more bank deposit preparations and more manual checks (than electronic transfers between accounts at the same institution). Additionally, the large number of accounts incurred \$9,752 in bank fees during the two year audit period and earned \$2,382 in interest.

**Recommendation:** We recommend the Harford County Health Department continue to consolidate its bank accounts and attempt to utilize only one bank.

**Management Response:** Management agrees with the recommendation and will continue to review the activities of each bank account and consolidate or close accounts. Two accounts have been identified for closure (Rabies Savings and Rabies Checking) and management anticipates closing another account (Infant Mortality) in early FY 2015. Management at HCHD will also make every effort to utilize only one bank to simplify the transfer of funds between accounts when necessary.

**Expected Completion Date:** 09/01/2014

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**Finding Number: 2013-A-09.07 Use of Employee Social Security Numbers**

**Employees' social security numbers were not adequately protected.**

**Analysis:** The Health Department uses employees' personal identifiable information (social security numbers) for payroll purposes and did not adequately protect that information. Specifically, social security numbers appeared on bi-weekly payroll overtime forms, payroll exception reports and State issued payroll reports. The printed forms were not properly secured. Additionally, for contractual employees, social security numbers represent Tax Identification Numbers, so they are also used on invoices and related forms.

This sensitive personal information is commonly sought by criminals for use in identify theft. Accordingly, appropriate measures should be taken to discontinue the use of employees' social security numbers for identifications purposes.

**Recommendation:** We recommend use of employees' personal identifiable information (e.g., social security numbers) be discontinued or otherwise protected when used on HCHD forms.

**Management Response:** Management agrees with the recommendation to protect employees' personal identifiable information. DHMH requires that certain documents use Social Security Numbers as identifiers to process payments to staff and on client insurance claims. These documents include: payroll reports, overtime vouchers, expense reports, consultant time sheets, and medical claims. During the audit proceedings, management recognized the need to protect personal identifiable information and immediately required staff to secure all documents containing this information in inter-office envelopes until processed. Furthermore, management instructed staff to file these documents in locked cabinets immediately after they are processed. The new procedure to protect employees' personal identifiable information will be monitored closely by Management.

**Expected Completion Date:** 02/14/2014





## HARFORD COUNTY HEALTH DEPARTMENT

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Susan C. Kelly, EHS  
Health Officer

Russell W. Moy, MD, MPH  
Deputy Health Officer

March 5, 2014

Honorable Members of the County Council  
Harford County, Maryland  
212 South Bond Street, 2<sup>nd</sup> Floor  
Bel Air, Maryland 21014

County Executive David Craig  
Harford County, Maryland  
220 South Main Street  
Bel Air, Maryland 21014

Dear Council Members and County Executive Craig:

I would like to take this opportunity to commend Chrystal Brooks for her work performed on behalf of Harford County government. She was very professional, thorough, and respectful of staff's time. The health department viewed the audit as an opportunity to reevaluate internal policies and procedures, and implement steps to address deficiencies.

As noted in the audit report, a new management team has been put in place with the hire of the Director of Administration, Chief Financial Officer, and more recently, a Compliance Officer. Through their efforts, numerous internal controls and quality assurance measures have been implemented.

I have shared the draft report with the Office of the Inspector General, and consulted with that office regarding the responses. The health department concurs with the audit findings and wishes to assure the County Council and County Executive of our ongoing efforts to improve fiscal accountability and enhance internal controls.

Please contact me if you have any questions.

Sincerely,

Susan Kelly  
Health Officer

cc: Thomas Russell, Office of the Inspector General