

Audit Report

**Maryland Department of Health
Vital Statistics Administration**

November 2020



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

Joint Audit and Evaluation Committee

Senator Clarence K. Lam, M.D. (Senate Chair)	Delegate Carol L. Krimm (House Chair)
Senator Malcolm L. Augustine	Delegate Steven J. Arentz
Senator Adelaide C. Eckardt	Delegate Mark S. Chang
Senator George C. Edwards	Delegate Andrea Fletcher Harrison
Senator Katie Fry Hester	Delegate Keith E. Haynes
Senator Cheryl C. Kagan	Delegate Michael A. Jackson
Senator Benjamin F. Kramer	Delegate David Moon
Senator Cory V. McCray	Delegate April R. Rose
Senator Justin D. Ready	Delegate Geraldine Valentino-Smith
Senator Craig J. Zucker	Delegate Karen Lewis Young

To Obtain Further Information

Office of Legislative Audits
301 West Preston Street, Room 1202
Baltimore, Maryland 21201
Phone: 410-946-5900 · 301-970-5900 · 1-877-486-9964 (Toll Free in Maryland)
Maryland Relay: 711
TTY: 410-946-5401 · 301-970-5401
E-mail: OLAWebmaster@ola.state.md.us
Website: www.ola.state.md.us

To Report Fraud

The Office of Legislative Audits operates a Fraud Hotline to report fraud, waste, or abuse involving State of Maryland government resources. Reports of fraud, waste, or abuse may be communicated anonymously by a toll-free call to 1-877-FRAUD-11, by mail to the Fraud Hotline, c/o Office of Legislative Audits, or through the Office's website.

Nondiscrimination Statement

The Department of Legislative Services does not discriminate on the basis of age, ancestry, color, creed, marital status, national origin, race, religion, gender, gender identity, sexual orientation, or disability in the admission or access to its programs, services, or activities. The Department's Information Officer has been designated to coordinate compliance with the nondiscrimination requirements contained in Section 35.107 of the United States Department of Justice Regulations. Requests for assistance should be directed to the Information Officer at 410-946-5400 or 410-970-5400.



Victoria L. Gruber
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Gregory A. Hook, CPA
Legislative Auditor

November 10, 2020

Senator Clarence K. Lam, M.D., Senate Chair, Joint Audit and Evaluation Committee
Delegate Carol L. Krimm, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Vital Statistics Administration (VSA) of the Maryland Department of Health (MDH) for the period beginning December 9, 2015 and ending January 15, 2020. VSA is primarily responsible for registering all births and deaths occurring in the State; issuing certified copies of birth, death, and marriage certificates; and compiling and analyzing various vital statistics data.

Our audit disclosed that VSA did not require that identity documentation supporting the issuance of certified copies of birth certificates be retained and reviewed by supervisors. Our review of 44 certified copies of birth certificates issued disclosed that VSA did not retain documentation (such as driver's licenses or passports) to validate the identity of the applicant for 40 of the certificates tested. In addition, 20 of those 40 applications did not have the required check-off on the application indicating that VSA staff sighted evidence to support that the applicant was entitled to receive the certificate. Given that birth certificates are used to confirm identity and obtain other government issued documents, we believe it is critical that appropriate steps be implemented by VSA to ensure the propriety of their issuance, and that this process be verifiable.

We also found that VSA did not have sufficient procedures to ensure local health department (LHD) site visits were comprehensive and documented. In addition, the results of the site visits were not formally communicated to the LHDs and related corrective action plans were not received.

Our audit also disclosed that sensitive personally identifiable information was not securely maintained and VSA had not established adequate procedures and controls over collections from certificate fees.

Finally, our audit also included a review to determine the status of the two findings contained in our preceding audit report. We determined that VSA satisfactorily addressed one of the two findings. The remaining finding is repeated in this report.

MDH's response to this audit, on behalf of VSA, is included as an appendix to this report. In accordance with State law, we have reviewed the response and, while MDH generally agrees with the recommendations in this report, we identified certain instances in which statements in the response conflict with or disagree with the report findings. In each instance, we reviewed and reassessed our audit documentation, and reaffirmed the validity of our finding. In accordance with generally accepted government auditing standards, we have included an "auditor comment" within MDH's response to explain our position. We will advise the Joint Audit and Evaluation Committee of any outstanding issues that we cannot resolve with MDH. Finally, we have edited MDH's response to remove certain proprietary information, as allowed by our policy.

We wish to acknowledge the cooperation extended to us during the course of this audit by VSA. We also wish to acknowledge MDH's and VSA's willingness to address the audit issues and to implement appropriate corrective actions.

Respectfully submitted,



Gregory A. Hook, CPA
Legislative Auditor

Table of Contents

Background Information	4
Agency Responsibilities	4
Real ID	5
Status of Findings From Preceding Audit Report	6
Findings and Recommendations	7
Vital Records	
Finding 1 (Policy Issue) – The Vital Statistics Administration (VSA) did not require that documentation supporting the propriety of certified copies of birth certificates issued be retained and reviewed by supervisors.	7
Local Health Department Monitoring	
* Finding 2 – VSA did not have sufficient procedures to ensure local health department (LHD) site visits were comprehensive and documented. In addition, the results of the site visits were not formally communicated to the LHDs and related corrective action plans were not received.	9
Information Systems Security and Control	
Finding 3 – VSA maintained sensitive personally identifiable information in a manner that did not provide adequate safeguards.	10
Cash Receipts	
Finding 4 – VSA had not established adequate procedures and controls over collections from certificate fees.	11
Audit Scope, Objectives, and Methodology	12
Agency Response	Appendix

* Denotes item repeated in full or part from preceding audit report

Background Information

Agency Responsibilities

The Maryland Department of Health (MDH) Vital Statistics Administration (VSA) is responsible for registering all births and deaths occurring in the State; issuing certified copies of birth, death, and marriage certificates; and compiling and analyzing various vital statistics data. Certified copies of these certificates are available, for a fee, at the VSA headquarters location in Baltimore, at 22 local health departments (LHDs)¹, and through the mail, phone, and VSA’s website.

According to the State’s records, during fiscal year 2019, VSA’s operating expenditures totaled approximately \$5.2 million. According to its records, VSA collected approximately \$7.4 million in vital record fees during fiscal year 2019 for the issuance of 690,476 certified copies of certificates, of which approximately \$2.7 million was collected by LHDs. See Table 1 for collections by source and Table 2 for collections by type of certificate issued during fiscal year 2019.

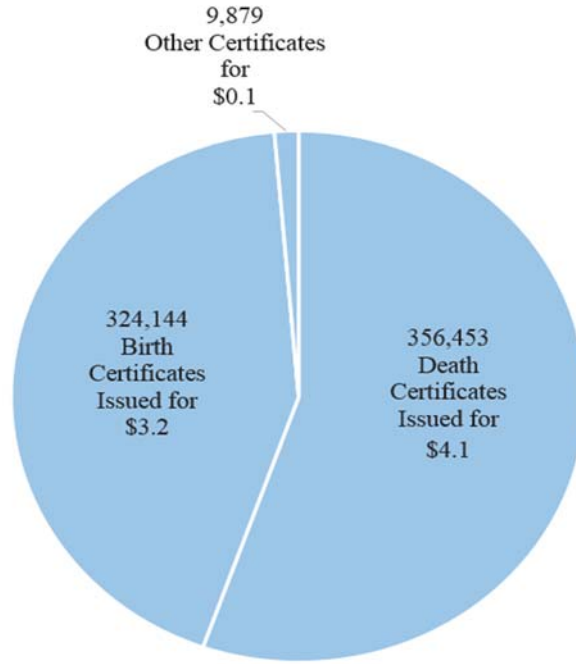
Table 1
Fiscal 2019 Collections by Source
(Amounts in Millions)

Source	Amount Collected
Cash or Check processed at VSA (in person and by mail)	\$2.6
Cash or Check processed at the LHDs (in person)	\$2.7
Credit Cards (online, phone, or in person)	\$2.1
Total	\$7.4

Source: VSA records

¹ LHDs in Baltimore City and Baltimore County do not issue copies of birth and death certificates. Individuals in these jurisdictions can request copies of certificates from VSA’s Division of Vital Records located in Baltimore City.

Table 2
Fiscal 2019 Collections by Type of Certificate
(Amounts in Millions)



Source: VSA records

Note: Other certificates include marriage certificates, divorce verifications, and record corrections.

Real ID

The Federal Real ID Act of 2005 established minimum security standards for license issuance and required enhanced documentation, such as a certified birth certificate, to obtain a driver’s license or personal identification. As a result, VSA had a 48 percent increase in certified copies of birth certificates issued from approximately 219,000 in fiscal 2015 to 324,000 in fiscal 2019, according to agency records. However, due to the statutory reduction in fees charged for certified copies of birth certificates, revenues for the same period decreased 35 percent from \$4.9 million in fiscal year 2015 to \$3.2 million in fiscal year 2019.

During the 2018 legislative session, the General Assembly passed Senate Bill 38, effective October 1, 2018, authorizing the Motor Vehicle Administration (MVA) to access VSA records, issue certified copies of birth certificates, and collect corresponding fees. In accordance with the Bill, MVA and MDH entered into a

memorandum of understanding, effective July 26, 2019, outlining the MVA fee structure and other terms for MVA’s issuance of certified copies of birth certificates. However, VSA management advised us that as of February 2020, no birth certificates had been issued by MVA due to limitations of VSA’s Electronic Vital Records System. VSA is in the process of developing a new system, with a planned implementation date of June 2021, which will provide MVA the ability to process certificates.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the two findings contained in our preceding audit report dated July 12, 2016. As disclosed in Table 3, we determined that VSA satisfactorily addressed one of these findings. The remaining finding is repeated in this report.

Table 3
Status of Preceding Findings

Preceding Finding	Finding Description	Implementation Status
Finding 1	VSA did not have comprehensive procedures for conducting LHD site visits, which were performed to assess procedures and controls over the issuance of birth and death certificates and collection of the related fees.	Repeated (Current Finding 2)
Finding 2	Logging and reviews of database security and audit events were not properly performed or documented, and VSA did not remove inactive domain accounts on a timely basis.	Not Repeated

Findings and Recommendations

Vital Records

Finding 1 (Policy Issue)

The Vital Statistics Administration (VSA) did not require that documentation supporting the propriety of certified copies of birth certificates issued be retained and reviewed by supervisors.

Analysis

VSA did not require that documentation supporting the propriety of certified copies of birth certificates issued be retained and reviewed by supervisors. State law provides that certified copies of birth certificates may be issued only on order of a court of competent jurisdiction, on request of the individual to whom the record relates, or on request of a parent, guardian, surviving spouse, or other authorized representative. State regulations further require applicants for a certified copy of a birth certificate to submit an application and a valid, unexpired, government-issued document (such as a driver's license or passport) or two other forms of acceptable identification (such as a utility bill or pay stub).

Our review disclosed that documentation was not always retained by VSA and the local health departments (LHDs) for applications submitted in person, over the phone, or by mail; nor was the documentation reviewed by supervisory personnel to ensure that certified copies of birth certificates were issued properly. Specifically, for applications received in-person, VSA and LHD staff sighted the required documentation prior to issuing the certificate and checked off a box on the application to document that it had been sighted but did not retain a copy of the documentation. For mail-in and over the phone applications, the applicants submitted copies of required identifying documentation, which was reviewed by VSA staff and then shredded.

VSA has the capability to retain these documents by scanning them into its secure Electronic Vital Records System (EVRS) to enable subsequent review by supervisory personnel. VSA advised us that it decided not to scan identification documents due to their sensitive nature. However, EVRS has the ability to restrict access to these documents. In this regard, documentation was retained for birth certificate applications resulting from a court order or submitted by an authorized representative or when the applications are received by its online vendor.

Our review of 44 birth certificates issued by VSA during the period from July 2018 to January 2020 disclosed that VSA did not retain documentation (such as

driver's licenses or passports) to validate the identity of the applicant for 40 of the certificates tested. In addition, 20 of those 40 applications did not have the required check-off on the application indicating that VSA staff sighted evidence to support the applicant was entitled to receive the certificate. For the remaining four certificates reviewed, VSA was unable to provide a completed application or other documentation to support the issuance of one of the certificates. The remaining three applications were from a court order or were submitted by an authorized representative and had the support on file.

State law requires VSA to dispose of records in accordance with its records retention schedule, which states that applications should be retained at least three years or until they have been audited. In this regard, counsel to the General Assembly has advised that copies of the identification sent with applications in the mail or electronically should be treated either as a part of the application or as correspondence and retained with the application until disposed of in accordance with the aforementioned retention schedule. Counsel further advised that while there is no law or regulation requiring VSA to make copies of identification documentation for applications received in person, there is nothing that prohibits them from doing so.

During fiscal year 2019, of the approximately 324,000 birth certificates issued, 228,700 were related to applications received in person at VSA or LHDs, through the mail, or over the phone. Without retention of supporting documentation and supervisory review of these applications, there is a lack of assurance that the related birth certificates were properly issued.

Recommendation 1

We recommend that, prior to issuing certified copies of birth certificates, VSA ensure

- a. required support is obtained and reviewed by supervisors, and retained in accordance with its document retention policy; and**
- b. applications are properly completed.**

Local Health Department Monitoring

Finding 2

VSA did not have sufficient procedures to ensure LHD site visits were comprehensive and documented. In addition, the results of the site visits were not formally communicated to the LHDs and related corrective action plans were not received.

Analysis

VSA did not have sufficient procedures to ensure LHD site visits were comprehensive and documented. In addition, the results of VSA's site visits were not formally communicated to the LHDs and related corrective action plans were not received. The objectives of the site visits were to determine if the LHDs had adequate controls in place and whether birth and death certificates were properly issued and related fees were deposited.

VSA had written procedures for conducting the site visits, which included the use of a checklist that identified the steps to be performed. However, the procedures did not specify the number of certificate applications to be tested during the site visits or the level of documentation required to support the results. In addition, the procedures did not require any supervisory review and approval of the site visit results. Consequently, the scope and results of site visits were not consistently and adequately documented. For example, the number of applications reviewed was only indicated for 1 of the 19 site visits performed in 2019 and the specific applications tested were not identified and documented for any of the site visits.

Finally, findings identified during the site visits were not formally communicated to the LHDs and responses from LHDs, including corrective action plans, were not received as required by VSA's procedures. Five of the site visits conducted in 2019 identified issues requiring corrective action by the LHDs, but VSA lacked documentation that the results were communicated to the LHDs and that corrective action plans were submitted and reviewed by VSA. For example, during its 2019 site visits, VSA identified two LHDs that had processed applications that were not properly completed (such as failed to indicate applicant's relationship to individual, or lacked parent's name and/or place of birth); including one LHD that had a similar issue identified in its 2018 site visit.

A similar condition was noted in our preceding audit report.

Recommendation 2

We recommend that VSA

- a. develop comprehensive written policies and procedures for site visits performed at LHDs that, at a minimum, address the type of evidence to examine, the amount of documentation needed to support the work done and conclusions reached, and the need for supervisory review and approval of reviews performed (repeat);**
- b. ensure that site visits are performed in a consistent and uniform manner and adequately documented, including the number and identity of applications tested; and**
- c. formally communicate findings identified and obtain corrective action plans from the LHDs.**

Information Systems Security and Control

Background

VSA operates certain critical systems used to fulfill its responsibility for registering all births and deaths occurring in the State, and for providing associated documents and reports. The MDH - Office of Enterprise Technology is responsible for the operation and maintenance of the network supporting these systems and for providing related server data center hosting.

Finding 3

VSA maintained sensitive personally identifiable information (PII) in a manner that did not provide adequate safeguards.

Analysis

VSA maintained sensitive PII in a critical system in a manner that did not provide adequate safeguards. Specifically, at the time of our review in April 2020, this system's database contained sensitive PII involving 2.7 million records, which were maintained in a manner that made the information vulnerable to improper disclosure, with other supporting software creating additional security risks. During our audit, VSA personnel advised us that development efforts were in process for replacing this legacy system. The State of Maryland *Information Technology Security Manual* requires that agencies protect confidential data using adequate safeguards and/or other substantial mitigating controls.

Recommendation 3

We recommend that VSA implement appropriate information security safeguards for sensitive PII it maintains.

Cash Receipts

Finding 4

VSA had not established adequate procedures and controls over collections from certificate fees.

Analysis

VSA had not established adequate procedures and controls over its collections from certificate fees. According to VSA records, collections from certificate fees deposited by VSA during fiscal year 2019 totaled approximately \$4.7 million, including \$2.6 million received in person or in the mail and \$2.1 million received via credit card.

- VSA did not restrictively endorse checks received in person or in the mail immediately upon receipt or at any time while in its possession. Rather, these checks were handled by up to four employees prior to deposit without being endorsed. In addition, unendorsed checks were routinely left unattended on an employee's desk prior to deposit. For example, one day we observed 172 such checks totaling \$17,242 that were left unattended on an employee's desk.
- Independent verifications of validated deposit slips to recorded collections were not performed from June 2019 to February 2020. Furthermore, the verifications that were performed prior to that date were inadequate because the employee who performed the verification also had access to the related collections and did not use the original record of collection in the verification. Our test of collections disclosed that all checks tested were deposited.

The Comptroller of Maryland's *Accounting Procedures Manual* requires the restrictive endorsement of checks immediately upon receipt, that collections be adequately secured until deposit, and that the initial records of collection be reconciled to amounts deposited by an employee independent of the cash receipts functions.

Recommendation 4

We recommend that VSA

- a. restrictively endorse checks immediately upon receipt and ensure they are properly safeguarded, and**
- b. ensure an employee independent of the cash receipts function verifies all collections from the initial recordation to the related deposit slip.**

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Vital Statistics Administration (VSA), a unit within the Maryland Department of Health (MDH), for the period beginning December 9, 2015 and ending January 15, 2020. The audit was conducted in accordance with generally accepted government auditing 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.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine VSA's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included cash receipts, certificate issuance, and information systems. We also determined the status of the findings contained in our preceding audit report.

Our audit did not include certain support services provided to VSA by MDH. These support services (such as payroll, purchasing, maintenance of accounting records, related fiscal functions, and certain aspects of the network information systems related to VSA's Electronic Vital Records System and Electronic Death Registration System) are included within the scope of our audit of the MDH – Office of the Secretary and Other Units.

Our assessment of internal controls was based on agency 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 of December 9, 2015 to January 15, 2020, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of VSA's operations. Generally, transactions were selected for testing based on auditor judgement, which primarily considers risk. Unless otherwise specifically indicated, neither

statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, the results of the tests cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from this source were sufficiently reliable for the purposes the data were used during this audit. We also extracted data from VSA's Electronic Vital Records System for the purpose of selecting test items and assessing user access. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our objectives. The reliability of data used in this report for background or informational purposes was not assessed.

VSA'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 safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to VSA, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, 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.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function 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.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect VSA's ability to maintain reliable financial records, operate

effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to VSA that did not warrant inclusion in this report.

The response from MDH, on behalf of VSA, to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise MDH regarding the results of our review of its response.

APPENDIX



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

October 29, 2020

Mr. Gregory A. Hook, CPA
Legislative Auditor
Office of Legislative Audits
State Office Building, Room 1202
301 West Preston Street
Baltimore, MD 21201

Dear Mr. Hook:

Enclosed, please find the responses to the draft audit report on the Maryland Department of Health – Vital Statistics Administration Audit for the period beginning December 9, 2015 and ending January 15, 2020.

If you have any questions, please contact Frederick D. Doggett at 410-767-0885 or email at frederick.doggett@maryland.gov.

Sincerely,



Robert R. Neall, Secretary
Maryland Department of Health

Enclosure

cc: Frederick D. Doggett, Inspector General, MDH
Jinlene Chan, M.D., Acting Deputy Secretary, Public Health Services, MDH
Erin S. Penniston, Chief of Staff, Public Health Services, MDH

**Maryland Department of Health
Vital Statistics Administration**

Agency Response Form

Finding 1 (Policy Issue)

The Vital Statistics Administration (VSA) did not require that documentation supporting the propriety of certified copies of birth certificates issued be retained and reviewed by supervisors.

- We recommend that, prior to issuing certified copies of birth certificates, VSA ensure
- a. required support is obtained and reviewed by supervisors, and retained in accordance with its document retention policy; and
 - b. applications are properly completed.

Agency Response	
Analysis	Not Factually Accurate
Please provide additional comments as deemed necessary.	VSA disagrees with the assumption that the supporting documents are part of the application for a birth certificate. VSA has never retained these supporting identification documents (as part of their efforts to prevent fraud and ensure data security), and the DGS schedule for VSA records retention does not make any mention of supporting documents being retained. There is nothing in statute or COMAR that requires this retention.
Recommendation 1a	Disagree Estimated Completion Date:
Please provide details of corrective action or explain disagreement.	When a customer presents an application for a birth certificate, the preferred form of demonstrating eligibility to receive the certificate is a valid, unexpired, government issued photo ID (usually a driver's license or passport). DVR has never retained copies of these IDs because the State Registrar has serious concerns that storing copies of these identification documents within the same organization that is the source for an additional breeder document (the birth certificate) dramatically increases the risk for fraudulent activities by staff. For this reason, many states, including Virginia, Delaware, California, and the District of Columbia, do not keep copies of identification documents used to apply for a birth certificate. This is considered best practice by vital records offices, and helps to improve data security.

Auditor's Comment: VSA disagreed with our analysis that required support documentation is part of the application for a birth certificate and therefore subject to its document retention policy. VSA stated in its response that there is nothing in statute or the *Code of Maryland Regulations* that requires this retention. VSA's position is contrary to written advice OLA received from counsel to the General Assembly which is

**Maryland Department of Health
Vital Statistics Administration**

Agency Response Form

referenced in the finding and has been shared with VSA. Specifically, the advice concludes that copies of the identification sent with applications in the mail or electronically should be treated either as a part of the application or as correspondence and retained with the application until disposed of in accordance with its retention policy. The advice further provided that while there is no law or regulation requiring VSA to make copies of identification documentation for applications received in person, there is nothing that prohibits them from doing so.

VSA also disagreed with our recommendation to ensure required support is obtained and reviewed by supervisors and retained. VSA indicated that it does not intend to retain copies of the support document (usually a driver’s license or a passport) because of concerns with data security over these documents. However, we believe reasonable steps could be taken to mitigate the data security concerns (such as electronic document encryption).

Given that birth certificates are used to confirm identity and obtain other government issued documents, we believe it is critical that appropriate steps be implemented by VSA to ensure the propriety of their issuance, and that this process be verifiable. Accordingly, we believe our finding is accurate and our recommendation is prudent and appropriate.

Recommendation 1b	Agree	Estimated Completion Date:	7/1/2020
Please provide details of corrective action or explain disagreement.	VSA concurs that applications must be completed accurately, and the checkbox indicating that the eligibility documents have been received and are sufficient must always be checked. DVR has implemented a process to have supervisors perform daily spot verifications to ensure that these applications are complete and that the IDs presented are acceptable.		

Local Health Department Monitoring

Finding 2
VSA did not have sufficient procedures to ensure LHD site visits were comprehensive and documented. In addition, the results of the site visits were not formally communicated to the LHDs and related corrective action plans were not received.

We recommend that VSA

- a. develop comprehensive written policies and procedures for site visits performed at LHDs that, at a minimum, address the type of evidence to examine, the amount of**

**Maryland Department of Health
Vital Statistics Administration**

Agency Response Form

- documentation needed to support the work done and conclusions reached, and the need for supervisory review and approval of reviews performed (repeat);
- b. ensure that site visits are performed in a consistent and uniform manner and adequately documented, including the number and identity of applications tested; and
 - c. formally communicate findings identified and obtain corrective action plans from the LHDs.

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.			
Recommendation 2a	Agree	Estimated Completion Date:	12/1/2020
Please provide details of corrective action or explain disagreement.	DVR will augment their written policies and procedures for LHD site visits to address the type of evidence to examine, the amount of documentation needed to support the work done and conclusions reached, and the need for supervisory review and approval of reviews performed.		
Recommendation 2b	Agree	Estimated Completion Date:	12/1/2020
Please provide details of corrective action or explain disagreement.	DVR will provide training to all staff involved in LHD site visits. This training will review the revised written policies and procedures for conducting these site visits. A single supervisor, the site visit coordinator, will have responsibility for overseeing this training and for reviewing the results of all site visits. Site visits will be performed in a consistent and uniform manner and adequately documented, including the number and identity of applications tested.		
Recommendation 2c	Agree	Estimated Completion Date:	12/1/2020
Please provide details of corrective action or explain disagreement.	The site visit coordinator will have the responsibility of establishing a meeting with each LHD to formally communicate the results of the site visit, provide any corrective action plan needed, and set up a schedule for follow up to ensure that the corrective action plan has been effected.		

**Maryland Department of Health
Vital Statistics Administration**

Agency Response Form

Information Systems Security and Control

Finding 3
VSA maintained sensitive personally identifiable information (PII) in a manner that did not provide adequate safeguards.

We recommend that VSA implement appropriate information security safeguards for sensitive PII it maintains.

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.			
Recommendation 3	Agree	Estimated Completion Date:	4/1/2021
Please provide details of corrective action or explain disagreement.	Once VSA replaces the legacy production system, we will be able to take advantage of additional security features, which will resolve this finding.		

Cash Receipts

Finding 4
VSA had not established adequate procedures and controls over collections from certificate fees.

We recommend that VSA

- a. restrictively endorse checks immediately upon receipt and ensure they are properly safeguarded; and
- b. ensure an employee independent of the cash receipts function verifies all collections from the initial recordation to the related deposit slip.

**Maryland Department of Health
Vital Statistics Administration**

Agency Response Form

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.			
Recommendation 4a	Agree	Estimated Completion Date:	6/1/2020
Please provide details of corrective action or explain disagreement.	VSA has implemented new procedures requiring that checks be restrictively endorsed via a stamp immediately upon receipt when opening a mailed application or upon receipt at the front counter. All restrictively endorsed checks are then placed into locked cabinets until the close of business daily reconciliation, when the checks are placed into a sealed deposit bag for transport to the bank.		
Recommendation 4b	Agree	Estimated Completion Date:	6/1/2020
Please provide details of corrective action or explain disagreement.	Immediately upon being notified that the employee tasked with independently verifying deposits slips with recorded collections had failed to perform this task for months, this person was relieved of this duty and the Assistant State Registrar worked through the backlog of reconciliations to be performed. This daily reconciliation task is once again being performed by Business Office staffs, who are not involved in the cash receipts. An independent employee verifies all collections from the initial recordation to the related deposit slip and then the reconciliation is reviewed by the Assistant State Registrar.		

AUDIT TEAM

Raymond G. Burton Jr., CPA, CFE
Audit Manager

Edwin L. Paul, CPA, CISA
Information Systems Audit Manager

James J. Podhorniak, CPA, CFE
Senior Auditor

Peter W. Chong
Information Systems Senior Auditor

Tyshawna J. Ford
Staff Auditor