



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR

March 19, 2013

Single Audit Management Report

Mary Currier, MD, MPH, State Health Officer
Mississippi State Department of Health
P.O. Box 1700
Jackson, Mississippi 39215

Dear Dr. Currier:

Enclosed for your review are the other audit findings for the Mississippi State Department of Health for the Fiscal Year 2012. In these findings, the Auditor's Office recommends the Mississippi State Department of Health:

1. Review employee approval levels in the Statewide Automated Accounting System; and
2. Strengthen controls over the oversight of vaccinating providers.

Please review the recommendations and submit a plan to implement them by April 1, 2013. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

This report is intended solely for the information and use of management, individuals charged with governance, Members of the Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the Mississippi State Department of Health to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi State Department of Health throughout the audit. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick Dendy".

Patrick Dendy, CPA
Director, Department of Audit
Enclosures

SINGLE AUDIT FINDINGS

In conjunction with our audit of federal assistance received by the State of Mississippi, the Office of the State Auditor has completed its audit of the State's major federal programs administered by the Mississippi State Department of Health for the year ended June 30, 2012. This audit was conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Office of the State Auditor's staff members participating in this engagement included Jane Dussouy, CPA, Kimberly Majure, CPA, Jeanne Julious, Lee Alford, Kaylee Kasper and Elaina Jo Smith.

Our procedures and tests cannot and do not provide absolute assurance that all federal legal requirements have been met. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

Internal Control over Compliance

Management of the Mississippi State Department of Health is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Mississippi State Department of Health's internal control over compliance with requirements that could have a direct and material effect on a major federal program.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. However, we noted other deficiencies in internal control over compliance that require the attention of management that we have reported on the attached document "Other Audit Findings" as items Oth-14 and Oth-15.

Compliance

We have audited the Mississippi State Department of Health's compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs administered by the Mississippi State Department of Health. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of management. Our audit fieldwork included examining, on a test basis, evidence about the Mississippi State Department of Health's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The results of our auditing procedures disclosed no instances of noncompliance that are required to be reported by OMB Circular A-133.

OTHER AUDIT FINDINGS

In planning and performing our audit of the federal awards received by the Mississippi State Department of Health for the year ended June 30, 2012, we considered internal control over compliance with the requirements that could have a direct and material effect on the major federal programs. Matters which require the attention of management were noted. These matters which do not have a material effect on the agency's ability to administer major federal programs in accordance with applicable laws, regulations, or provisions of contracts or grant agreements involve other control deficiencies.

A *deficiency in internal control* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

**CFDA/Finding
 Number**

Finding and Recommendation

ALLOWABLE COSTS/COST PRINCIPLES

Control Deficiency

10.557 93.268 93.712	Special Supplemental Nutrition Program for Women, Infants, and Children Immunization ARRA – Immunization
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Federal Award Number and Year:	5MS700704	2011
	5MS700704	2012
	5H231P422524-09	2011
	5H231P422524-10	2012
	3H231P422524-0751	2009
	3U50C1423720-0552	2009

Oth-14

Employee Approval Levels in the Statewide Automated Accounting System
 Should Be Reviewed

Finding:

The Mississippi Management and Reporting System (MMRS), an office of the Mississippi Department of Finance and Administration, is responsible for maintaining and supporting SAAS. MMRS has published and made available on its website the *SAAS Agency Manual – MMRS/SAAS System Access*, which indicates “one user should not be given authority to perform all actions for one transaction”. Each agency is responsible for establishing the SAAS authority given to its employees.

During our audit of the Mississippi State Department of Health, we reviewed transaction approval levels established in the Statewide Automated Accounting System (SAAS) for all four quarters of state fiscal year 2012. During our review, we noted the following problems.

- Two employees had both entry and full agency approval access for disbursement transactions.
- Three employees had both entry and full agency approval access for journal entry transactions.

- Four employees had both entry and full agency approval access for revenue transactions.

Failure to ensure segregation of duties by separating entry and approval authority could allow unauthorized or erroneous transactions to be recorded in SAAS and not be detected promptly.

Recommendation:

We recommend the Mississippi State Department of Health review employee approval levels in the Statewide Automated Accounting System (SAAS) to ensure duties are properly segregated and no one individual is assigned both input capability and all levels of agency approval.

SPECIAL TESTS AND PROVISIONS

Control Deficiency

93.268

Immunization

Federal Award Number and Year: 5H231P422524-09 2011
5H231P422524-10 2012

Oth-15

Controls Over the Oversight of Vaccinating Providers Should Be Strengthened

Finding:

The United States Code (42 USC 1396s) requires grantees to provide oversight of vaccinating providers to ensure proper control and accountability is maintained for vaccines, vaccines are properly safeguarded and eligibility screening is conducted. In addition, the United States Code (42 USC 300aa-25) requires the grantee to ensure certain information has been recorded for vaccine recipients, including the following: 1) date of administration of the vaccine; 2) vaccine manufacturer and lot number of the vaccine; and 3) name and address and, if appropriate, the title of the health care provider administering the vaccine.

In performing testwork for the Immunization program administered by the Mississippi State Department of Health, we reviewed the agency's oversight of 60 vaccinating providers. Our review of automated site visit forms for each provider revealed two instances in which there was no indication of eligibility screening coverage achieved by the providers and three instances in which there was no indication of a review of the provider's vaccination records. For these five providers, the monitors conducting a review of each provider failed to include a response to each section within the automated site visit forms.

Additionally, for two providers, there was no evidence of follow-up procedures for deficiencies noted during the on-site reviews.

Lack of demonstrated oversight of providers could result in noncompliance over control, accountability, and safeguarding of vaccine not being detected in a

timely manner. In addition, lack of demonstrated oversight of providers could result in noncompliance over the recording of vaccine information in recipients' permanent medical records not being detected in a timely manner.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls to ensure appropriate oversight of vaccinating providers is performed in accordance with federal requirements and is properly documented.

End of Report