

MISSISSIPPI

BOARD OF NURSING

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COMPLIANCE REVIEW FINDINGS

Mississippi Office of the State Auditor
Attn: Rob Robertson
501 North West Street
Suite 801, Woolfolk Building
Jackson, MS 39201

Dear Mr. Robertson:

We have received your July 25, 2014, limited internal control and compliance review findings for the Mississippi Board of Nursing for fiscal year 2013. The following is the Mississippi Board of Nursing's response to your findings and recommendations:

1. Strengthen Controls Over Receipts

Response: One person was opening the mail and processing the checks because we did not have enough personnel to use two people. To ensure all activities and that staff members are aware of the process, the Operations Manager will write a step-by-step list of procedures to be reviewed and signed off by each staff member.

Corrective Action Plan:

- a. All mail is now being processed by two people. We developed and implemented a checks and balance process of two employees to open and verify all incoming mail. Source documentation will be maintained and kept on file.
- b. We have created a form to record the daily intake mail that will be reviewed by the Director of Operations.
- c. To further strengthen internal control, receipts will be randomly compared to applications to ensure proper fees are received; this action will be performed by the Director of Operations.
- d. Additionally, checks will be restrictively endorsed upon receipt and counted; a daily review of the deposit record will be used for comparison.

2. Strengthen Controls Over Contractual Services Agreements

Response: All service contracts are under review for compliance. The Board has reviewed Transparency Mississippi and PSCRB rules manual and plans to adopt it as policy and procedures.

Corrective Action Plan:

- a. We have implemented a team approach with check and balance which includes board approval of contracts
- b. We have suspended contracts, which were not in compliance.
- c. We are now following the PSCRB rules and regulations regarding Section 3-204.03.1 and 7-102.
- d. Additionally, all contracts are now reviewed by the senior attorney and presented to the board for approval.

3. Ensure Compliance With Laws Over Bank Accounts

Response: The auditing department staff has reviewed and understands all requirements set by the Department of Finance and Administration (DFA) and will adhere to all requirements. The Board has reviewed the manual and plans to adopt it as policy and procedures.

Corrective Action Plan:

- a. Staff auditor has been informed of when the Public Depositors Annual report is due and how to properly fill out the form.
- b. The Check scanning machine been canceled, and we are contesting the charges.
- c. Established a policy and procedure to make daily deposits, we implemented the plan May 1, 2014. We have also implemented a process to maintain the correct clearing account balance.

4. Ensure Cash Receipts Should Be Promptly Deposited and Transferred to the State Treasury

Response: Because we handle personal checks we have a "collection" bank account to provide a clearing period for personal checks and to avoid deposit of insufficient checks into the State Treasury. Policy is in place to ensure daily deposits into the collection account.

Corrective Action Plan:

- a. We have established a policy and procedure to make daily deposits.
- b. We have also implemented a process to maintain the correct clearing account balance.
- c. We have created a form to record daily deposits that will be reviewed by the Director of Operations.

5. Ensure Compliance With State Purchasing Laws

Response: Policy has been established to provide agency wide instruction on proper procedure created by the Public Service Contract Review Board (PSCRB).

Corrective Action Plan:

- a. We have adopted personnel board contract policy for contracts less than 50k
- b. We have assigned personnel (attorney) to review all contracts
- c. All contracts will be presented to Exec Committee who will then present to full board for approval and board action regarding contracts will be reflected in board minutes.

6. Obtain Surety Bonds in Accordance With State Law

Response: The blanket surety bond currently in place did not include an individual surety bond for the executive director or the treasure as recommended in section 73-15-13(3), Miss Code Ann. (1972).

Corrective Action Plan:

- a. During the July 2014 Business Meeting the board approve the appropriate surety bonds for the agency.
- b. A \$50,000 surety bond was approved for the executive director.
- c. A 10,000 surety bond was approved to cover any individuals performing duties of the treasure.

7. Ensure Compliance With Laws Over Business Meetings Of The Board

Response: To enhance board member attendance accountability each board member has received an updated copy of the bylaws in which they are governed by.

Corrective Action Plan:

- a. The board president now keeps a roll call list for each member in attendance.
- b. Before each meeting any absent members is announced at the beginning of the business meeting to become apart part of the business meeting minutes.
- c. The board president will notify the Governor writing when a board member misses two consecutive business meetings.

RESPECTFULLY SUBMITTED,

By: Lynn Langley

Executive Director, Lynn Langley, DNP, FNP-BC, ANP-BC, CPQH

By: Shan Montgomery

Deputy of Operations Director, Shan Montgomery