

MISSISSIPPI

BOARD OF NURSING

1080 River Oaks Drive
Suite A100
Flowood, MS 39232
Telephone: (601) 664-9303
Fax: (601) 664-9304



COMPLIANCE REVIEW FINDINGS

Stacey E. Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Pickering:

We have received your August 4, 2011, limited internal control and compliance review findings for the Mississippi Board of Nursing for fiscal year 2010. The following is the Mississippi Board of Nursing's response to your findings and recommendations:

1. Controls Over Receipts Should Be Strengthened

Response: Because we are a small agency several departments have minimal staff. One person was opening the mail and processing the checks because we did not have enough personnel to use two people.

Corrective Action Plan: All mail will be opened in the accounting office with two people present. Checks will be restrictively endorsed upon receipt and counted; a daily review of the deposit record will be used for comparison. The receipts will be randomly compared to the applications to ensure proper fees are received. The number of checks received and the number of checks deposited will be verified by the Director of Operations.

2. Controls over bank accounts should be strengthened

Response: The accounting staff has been trained in the proper technique of reconciliations.

Corrective Action Plan: Monthly bank reconciliations and quarterly reconciliations of the Collateral Sufficiency Analysis report will be prepared and any errors noted will be responded to a timely manner. Bank reconciliations will be prepared by an employee who is independent of

the check writing and deposit process and all returned checks will be physically voided and a copy maintained. MSBN will comply with the Maximum account balance as approved by the State Treasury.

3. Contractual Services Should Be Supported by Written Agreement

Response: All service contracts are under review for compliance

Corrective Action Plan: All contracts are maintained in a central location for easy access and review. Contracts are being reviewed for compliance with an estimated completion date of October 1, 2011.

4. Controls Over SAAS Approval levels Should Be Strengthened

Response:

Corrective Action Plan: Internal controls have been established to properly segregate the SAAS entry and an approval level over disbursements and journal entries to ensure no one individual has both input access and all levels of approval. Access is limited to the accounting department.

5. Payment Vouchers and Supporting Documentation Should Be Maintained for Expenditures

Response: It is unclear whether the documents were not maintained or could not be located due to recent personnel turn over.

Corrective Action Plan: MSBN staff has been instructed to present and maintain supporting documentation for all expenditures. Accounting records have been logically organized and readily available for review.

6. Controls Over Contractual Services Should Be Strengthened

Response: Procedures for payment of contractual services have been reviewed and revised.

Corrective Action Plan: Internal controls are in place to ensure all expenditures are properly reviewed and approved to ensure payments are made only for amount due.

7. Controls Over Procurement Card Purchases Should Be Strengthened

Response: Current staff has reviewed the State of Mississippi Procurement Manual and implemented appropriate procedures.

Corrective Action Plan: MSBN has established internal controls over procurement card purchases to ensure compliance with the policies and procedures set forth by the Office of Purchasing and Travel. Monthly statements will be reviewed and reconciled to receipts of goods and services with reviewer's initials and date.

8. Strengthen Controls Over Employee Leave

Response: The current staff has been trained to identify errors and instructed to return the timesheet to the particular supervisor for corrections prior to inputting data into SPAHRS.

Corrective Action Plan: All employees were instructed during staff development on proper completion of the timesheet. All compensatory leave should be documented on the timesheet. Supervisors should review the timesheet for accuracy prior to submission to the Executive Director for final review. A formal compensatory time policy will be published to reinforce the training. The accounting department will only enter what is on the time sheet and retain the original timesheet in a designated file.

9. 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. However, because of the clearing period, the agency has completed the “Request for Exemption from Daily Deposit” form and submitted it to DFA for approval to make weekly deposits into the State Treasury; we are currently awaiting a response.

Corrective Action Plan: The agency no longer accepts cash payments and all non-electronic payments are deposited to the collection account within 24 hours of receipt using a bank supplied scanner.

10. Employee Insurance Premium Payments Should Be Properly Charged

Response: Files of the employees that are still employed by the agency have been corrected.

Corrective Action Plan: All employee files have been reviewed to ensure correct insurance premiums are deducted from employees in order to ensure compliance with state law.

11. Payment to Vendors Should Be Timely and Properly Supported

Response: In accordance with established statewide policy all invoices shall be processed for payment within 45 days of receipt. If this cannot be accomplished an explanation will be attached to the payment voucher and placed in the file.

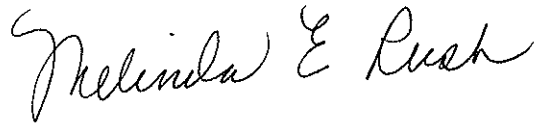
Corrective Action Plan: To prevent oversight of improper or incomplete documentation, all purchase orders and vouchers will be reviewed by the Director of Operations. Staff has been instructed to verify that all active state contracts are on record with DFA. Random internal audits will be conducted to ensure continued compliance.

12. Purchase Orders Should Be Prepared and Approved Prior to the Ordering of Goods and Services

Response: Policy has been established to provide agency wide instruction on proper procedure for ordering goods and services.

Corrective Action Plan: In order to comply with state purchasing laws, a purchase document must be approved with initials and date by the Executive Director or Director of Operations before an order is placed. Only one person is designated to order goods and services- this will prevent policy misunderstanding.

Melinda E Rush, DSN, FNP
Executive Director

A handwritten signature in cursive script that reads "Melinda E. Rush". The signature is written in black ink and is positioned to the right of the typed name and title.