OFFICE OF INTERNAL CONTROLS, AUDIT COMPLIANCE & INFORMATION SECURITY (IAC/S)

Annual Report

August 3, 2021-June 30, 2022

Maryland
DEPARTMENT OF HEALTH

LETTER FROM THE DIRECTOR

I am pleased to present the first annual report for the Office of Internal Controls, Audit Compliance & Information Security (IAC/S), highlighting our accomplishments for Fiscal Year 2022.

Secretary Schrader launched our office in August 2021 with the mandate to help ensure that MDH operational units comply with legal, regulatory, and policy requirements. As originally envisioned, our mission included facilitating and following up on external audits, conducting compliance and privacy reviews, and administering the MDH Institutional Review Board.

Almost immediately, however, the scope of our office's responsibilities increased dramatically as MDH leadership identified the need to further enhance the visibility and centralize monitoring of organization-wide internal controls. In September 2021, we assumed responsibility for the MDH **Records Management** program, taking the lead in the records digitization project associated with the upcoming move from State Center. Soon after, the IAC/S began overseeing the Secretary's **Strategic Data Initiative** (SDI), a far-reaching and consequential shift in MDH's approach to sharing and protecting its data in furtherance of its mission. More recently, the **Information Security** (InfoSec) program was reorganized under the IAC/S, strengthening independent oversight and helping to ensure the integrity of MDH's substantial and critical investment in information technology.

IAC/S staff members were stretched and challenged, asked to establish a new office, accept additional responsibilities, and develop expertise in unfamiliar disciplines. I am proud of their professionalism and dedication, as well as their accomplishments in Year One, including:

- Completing follow-up reviews of seven Office of Legislative Audits (OLA) reports containing 56 findings and 125 recommendations
- Monitoring 25 ongoing external audits performed by OLA and Federal agencies
- Receiving 114 compliance referrals and closing 94 investigations
- Receiving 234 privacy referrals and closing 178 investigations
- Reviewing 323 data-related agreements submitted via the Strategic Data Initiative (SDI)
- Conducting 233 Institutional Review Board (IRB) protocol reviews

As we begin our second year, the IAC/S will continue all of these efforts while expanding our risk-based planning capabilities and enhancing our reporting to MDH leadership and other stakeholders. We will also develop new approaches to communicating with all of our MDH colleagues regarding strong internal controls and their importance to mission success as well as accountability to the citizens of Maryland.

Frederick D. Doggett
Director

HIGHLIGHTS

August 3, 2021-June 30, 2022

AUDIT FOLLOW-UP

The IAC reviewed and evaluated the Department's progress in addressing findings and recommendations included in **seven OLA reports** previously issued, including the following:

56

FINDINGS

125

RECOMMENDATIONS

22

REPEAT FINDINGS

SPECIAL REVIEWS

IAC Audit Compliance initiated two special reviews and made recommendations to MDH Central Services Division and Chesapeake Regional Information System for our Patients (CRISP).

AUDIT LIAISON

The Audit Liaison unit facilitated the Department's communication with external auditors and supported all relevant auditing activities, including document request, in-person interviews, and responses to draft findings.

25

ACTIVE AUDITS COORDINATED

247

RECOMMENDATIONS MONITORED

17

OLA AUDITS

190

RECOMMENDATION REVIEWS COMPLETED

3

SINGLE AUDITS

3

OTHER AUDITS

2

FEDERAL AUDITS

COMPLIANCE INVESTIGATIONS

The Compliance Office managed the following referrals from the Report to the IAC hotline and other sources:

114

REFERRALS RECEIVED

- Bullying/Harassing: 1
- Misconduct: 25
- COVID-19: 32
- Conflict of Interest: 4
- Congregate: 29
- Employee Termination: 1
- Other: 50

94

COMPLIANCE INVESTIGATIONS CLOSED

HIPAA/PRIVACY INVESTIGATIONS

The Privacy Office managed the following referrals from the HIPAA/Privacy Violations hotline and other sources:

234

REFERRALS RECEIVED

- HIPAA: 44
- MDH Privacy: 13
- Optum: 73
- BHA ASO: 37
- CRISP: 11
- Other: 93

178

HIPAA/PRIVACY INVESTIGATIONS CLOSED

STRATEGIC DATA INITIATIVE (SDI)

The SDI team handled the following data-related agreement reviews:

323

SDI SUBMISSIONS

133

CLOSED REVIEWS

66

NO REVIEW REQUIRED

174

UNDER REVIEW

35

APPROVED

25

PROVISIONAL APPROVAL

0

DENIED

46

30-DAY PROVISIONAL APPROVAL

7

WITHDRAWN

16

INCOMPLETE

Types of Agreements reviewed

BAA: 56
DUA: 68
MOU: 109

IA: 38
DATA SHARING REQUEST: 15
OTHER: 34

RECORDS MANAGEMENT OFFICE

The IAC assumed responsibility for the MDH Records Management Program in August 2021 and achieved the following:

- Launched a website to increase visibility within MDH
- Identified 68 MDH Records Coordinators
- Increased records disposal efforts by improving the procedure and making the disposal request process electronic only
- Initiated digitization efforts within MDH by conducting a survey of current records to determine scope of project
- Distributed two records management bulletins

INFORMATION SECURITY PROGRAM

The Information Security (InfoSec) program was established to help protect against potential information technology (IT) threats and vulnerabilities. Formerly reporting to the Office of Enterprise Technology (OET), the program now lives under the IAC/S and reports directly to the Secretary of MDH with a primary focus of protecting MDH's ability to continually provide secured mission-critical operations.

The InfoSec Program is a risk-based program that gathers metrics to arrange phased continuous improvement processes for information security across the MDH organization. Through personnel, policies, procedures and standards, it ensures the availability of organizational information, confidentiality, integrity, and compliance with HIPAA, CMS, DoIT Security Manual, Federal and State mandates.

INSTITUTIONAL REVIEW BOARD

During the period of August 3, 2021 to June 30, 2022, the IRB's activities included the following:

Reviews

233

REVIEWS COMPLETED

197

EXPEDITED REVIEW

36

AT CONVENED MEETINGS

Types of Protocols

65

NEW PROTOCOLS

129

MODIFIED PROTOCOLS

39

CONTINUOUS PROTOCOLS

FINANCIAL DISCLOSURE

The IAC/S helped facilitate **100 percent compliance** with the filing of financial disclosure statements from the 611 MDH employees required to file.

611

REQUIRED FILERS

611

FILED

SECONDARY EMPLOYMENT DISCLOSURE

IAC oversaw **100 percent compliance** with the filing of secondary employee disclosure from the 662 MDH employees required to file.

662

FORMS FILED BY REQUIRED FILERS

716

FORMS FILED AND REVIEWED (INCLUDES 54 NON-REQUIRED FILERS)

100% COMPLIANT

IAC STAFF DEVELOPMENT

12

STAFF HIRED

115

STAFF TRAININGS COMPLETED

5

STAFF PROMOTED

2

INTERNAL TRAINING PROGRAMS CREATED - AUDITING & SOFTWARE

IAC COMMUNICATIONS

The IAC launched a multi-approach communications effort to introduce the IAC and the services that we provide.

- Launched a website: health.maryland.gov/iac
- Created nearly 30 new webpages outlining IAC services
- Produced online intake forms for external reporting of HIPAA/Privacy and MDH misconduct complaints
- Distributed 16 bulletins to entire MDH staff
- Created unique email addresses for IAC/S units to facilitate communication with customers

FY23 PRIORITIES

The IAC/S has identified new priorities for Fiscal Year 2023 in addition to our current Strategic Objectives:

1. Create an interactive OLA report tracker
2. Develop a risk-based compliance office plan
3. Develop a risk-based privacy office plan
4. Develop a comprehensive training framework for IAC/S staff

STRATEGIC OBJECTIVES

The IAC/S has developed the following Strategic Objectives for the next three years:

1. Conduct risk-based reviews and investigations of potential violations of laws, regulations, and MDH policies and procedures
2. Develop a risk-based plan for review and monitoring of privacy issues, including compliance with HIPAA and State laws and regulations
3. Advise MDH management and leadership on the status of all audits performed by the Office of Legislative Audits (OLA), the Inspector General for Health (OIG), the U.S. Department of Health and Human Services (HHS), and any other external auditors
4. Perform risk-based follow-up reviews of actions taken by MDH programs and offices in response to audit recommendations made by the Office of Legislative Audits (OLA), the U.S. Department of Health and Human Services (HHS), and any other external auditors
5. Annually update MDH-wide communication about secondary employment and financial disclosure filing requirements and monitor compliance
6. Maintain the MDH Records Management Office to ensure compliance with applicable Federal and State requirements
7. Manage the MDH Institutional Review Board (IRB) in accordance with Federal and State requirements
8. Manage the MDH Strategic Data Initiative (SDI)
9. Develop IAC/S staff and manage IAC/S resources efficiently