



Board of Nursing

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

August 31, 2022

The Honorable Guy Guzzone
Chair, Budget and Taxation
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401-1925

The Honorable Maggie McIntosh
Chair Emeritus, Appropriations
Room 121 House Office Building
Annapolis, MD 21401-1925

Dear Senator Guzzone and Delegate McIntosh:

The Maryland Board of Nursing (the “Board”) respectfully requests an extension of time to submit two (2) reports addressing repeat audit findings, as required by the Joint Chairmen’s Report for Fiscal Year 2022 (hereinafter the “JCR”).

Controls over Collections and Deposits

As stated in the JCR (pg. 96), the fiscal compliance report released by the Office of Legislative Audits (OLA) in January 2021 included a repeat audit finding that indicated that the Board did not have adequate controls over collections and deposits. The Board is required to submit a report identifying the steps taken to resolve this repeat audit finding.

Timely Investigations, Password, and Account Controls

As stated in the JCR (pg. 97), the Board is required to submit a report detailing efforts to resolve repeat audit findings related to providing sufficient oversight to ensure complaints against licensees were investigated timely and password and account controls were sufficient to protect critical data as identified in the fiscal compliance report released in January 2021 by the OLA.

Request for Extension

The ongoing Maryland Department of Health (MDH) cybersecurity incident has impacted the Board staff’s ability to sufficiently evaluate and address the recommendations provided by the OLA. The Board continues to remain at partial operational functionality despite its best efforts to prioritize workflow needs and readjust staffing capacities. The Board will need additional time to

thoroughly review, finalize, and approve corrective actions for each repeat audit finding for submission to the Department of Legislative Services (DLS). Two (2) comprehensive reports will be presented for approval on September 28, 2022, and will be subsequently submitted to MDH's Office of Governmental Affairs for further revisions on October 1, 2022. The Board's final reports will be submitted to DLS on or before November 1, 2022.

Thank you for your time and consideration. If you have any questions please contact Ms. Iman Farid, Health Planning and Development Administrator, at iman.farid@maryland.gov.

Sincerely,



Gary N. Hicks
Board President



Karen E. B. Evans
Executive Director

Cc: Sarah Albert, Mandated Reports Specialist, Maryland Department of Legislative Services
Gary Hicks, Maryland Board of Nursing President
Megan Peters, Acting Director, Maryland Department of Health
Morgan Smith, Policy Analyst, Maryland Department of Legislative Services



Board of Nursing

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

November 1, 2022

The Honorable Guy Guzzone
Chair, Budget and Taxation
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401-1925

The Honorable Maggie McIntosh
Chair Emeritus, Appropriations
Room 121 House Office Building
Annapolis, MD 21401-1925

Dear Senator Guzzone and Delegate McIntosh:

The Maryland Board of Nursing (the “Board”) respectfully submits this Fiscal Year (FY) 2022 Joint Chairmen’s Report (p. 96) detailing efforts to resolve repeat audit findings related to the absence of adequate controls over collections and deposits as identified in the fiscal compliance audit report released in January 2021 by the Office of Legislative Audits for the Maryland Department of Health (MDH) Health Regulatory Services.

[Office of Legislative Audits Finding #3](#): Controls over collections directly received at and the deposits made by the Board of Nursing were not adequate, and duties related to cash receipts and licensing were not properly segregated.

[OLA Recommendation 3a](#): Perform documented verifications that credit card collections were deposited and properly recorded in the state’s accounting records (repeat).

- Board of Nursing Completion Date: December 31, 2021.

On November 8, 2021, the Board hired a new manager of administrative services whose function is to serve as the organization’s primary fiscal officer. In December 2021, this employee initiated several credit card verification processes via the use of daily deposit reports submitted by the state treasurer’s office, monthly deposit detail reports from the credit card vendor, and transaction summary inquiries from the state’s financial management information system. Subsequent to this review, the Board has continued to verify credit card collections monthly and store documents for each fiscal year. The Director of Operations is additionally tasked with conducting quarterly audits to ensure documented verifications of credit card payments are being managed. The Board has updated all standard operating procedures to reflect these fiscal tasks.

OLA Recommendation 3b: Continue investigative action to determine whether the aforementioned \$386,000 in unrecorded collections were deposited and properly recorded in the state's records.

- Board of Nursing Completion Date: July 5, 2022 (confirmation pending).

On July 5, 2022, the Board submitted a request to the Department of Information Technology to conduct a review of any correspondence related to the aforementioned unrecorded collections and to provide evidence that this finding was addressed and concluded by the previous manager of administrative services. At this time, the Board is still awaiting a response from the department.

OLA Recommendation 3c: Ensure that employees processing collections are denied the system capability to issue or renew licenses, certificates, or permits, or to update the related billing records.

- Not Applicable to the Board of Nursing.

Board employees who process collections are not provided with access to or the authority to issue or renew licenses, certificates, or to update the related billing records.

OLA Recommendation 3d: In conjunction with the Maryland Department of Health, perform a documented consideration of the feasibility of using a bank lockbox account to receive collections.

- Board of Nursing Completion Date: June 1, 2022.

On June 1, 2022, the Board confirmed that the state of Maryland will not open lockbox accounts for the foreseeable future. The Maryland state treasury specialist additionally determined that the current collection system, which includes a paper shredding schedule and the use of a secure safe, is sufficient for storing and shredding collected checks. The Board has updated standard operating procedures for the storage and destruction of checks. Email correspondence between the Board and the Treasury is available for the committees' review and consideration.

OLA Recommendation 3e: Periodically reconcile licensing activity with the related collection.

- Board of Nursing Completion Date: July 31, 2022.

As of July 31, 2022, the Board's Director of Operations and Manager of Administrative Services have been trained to facilitate the license reconciliation process. The Board has updated standard operating procedures that govern this fiscal responsibility.

Thank you for your time and consideration. If you have any questions please contact Ms. Iman Farid, Health Planning and Development Administrator, at iman.farid@maryland.gov.

Sincerely,



Gary N. Hicks
Board President

A handwritten signature in blue ink that reads "Karen E. B. Evans". The signature is written in a cursive style with a large initial 'K' and 'E'.

Karen E. B. Evans
Executive Director

Cc: Sarah Albert, Mandated Reports Specialist, Maryland Department of Legislative Services
Gary Hicks, Maryland Board of Nursing President