



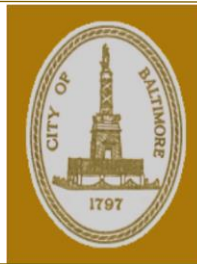
## **PERFORMANCE AUDIT REPORT**

### **BALTIMORE CITY HEALTH DEPARTMENT**

**Fiscal Years Ended  
June 30, 2017 and 2016**

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Honorable Joan M. Pratt, Comptroller  
and Other Members  
of the Board of Estimates  
City of Baltimore, Maryland

## Executive Summary

We conducted a performance audit of selected functions within the Baltimore City Health Department (BCHD) for the fiscal years ended June 30, 2017 and 2016 (the stated period). The purpose of our performance audit was to determine whether BCHD met its performance measure targets, and to determine whether its internal controls and the related policies and procedures were effectively designed and placed in operation to monitor, control, and report valid and reliable information that is significant to selected performance measures or functions for the stated period. Our performance audit also included functions of the BCHD that were recommended by the Chairman of the Biennial Audit Oversight Committee (BAOC) and the Office of the Inspector General (OIG).

As a result of our audit, we determined that the targets for the selected performance measure were not met. We also noted information regarding performance measure actual amounts was not consistently reported in the Agency Detail Board of Estimates Recommendations (Budget Book) from one fiscal year to another.

In addition, we noted certain areas where the effectiveness of the control procedures could be improved, and we recommend that:

- BCHD consider the possibility of hiring more food control inspectors in order to meet the targets for the number of inspections required by COMAR. We also recommend that BCHD maintain records to support the number of inspections that should be conducted during the fiscal year.
- Prior year actual performance measure amounts should not be changed in subsequent year Budget Books without approval by the Department of Finance and adequate disclosure by the Bureau of Budget and Management Research, in order to avoid misleading performance results. We also recommend that BCHD implement procedures to review reports and the data contained therein, especially those reports that support the performance measure results, for completeness and accuracy.
- BCHD establish standardized basic inventory policies and procedures for all stockrooms in order to safeguard assets, to ensure that the stockrooms are operating effectively and efficiently, and to account for all additions to and withdrawals from inventory. We also recommend that BCHD maintain records to document periodic inventory counts,

compare those counts to the inventory records, and investigate any differences. We also recommend that BCHD develop a centralized reporting system for total inventory amounts and the total value of those inventories.

- BCHD segregate the key stockroom duties and responsibilities to different employees to secure and safeguard assets against unauthorized use or risk of loss without being detected in a timely manner.
- BCHD establish procedures to segregate and/or dispose of obsolete or damaged goods and materials and include applicable information with the inventory records for assets that have a designated shelf life, expiration date, or warranty expiration period.
- BCHD ensure that all valuable equipment items be tagged and accounted for, include the dollar value for materials, supplies and equipment items included in the inventory sheets, and perform frequent counts for the high-dollar items. We also recommend that the stockrooms be organized to ensure accurate inventory and prevent unauthorized use or possible theft.
- BCHD establish controls to ensure that the inventory listings are properly supported by the physical counts of the stockroom inventory and use serially numbered inventory count tags to document support for inventory counts.
- BCHD establish procedures to ensure the completeness of the information included on the Overdose Reversal Form, especially the key information to assess the success of the Naloxone Program. We also recommend that BCHD communicate to staff the need to completely and accurately fill out the forms.
- BCHD establish procedures to review the formulas for completeness and accuracy of information that supports the Opioid Education and Naloxone Distribution (OEND) State Reports.



Audrey Askew  
City Auditor  
August 6, 2018

**Baltimore City Health Department**  
**Performance Audit**  
**Background Information**  
**Fiscal Years Ended June 30, 2017 and 2016**

The Commissioner of Health is responsible for the executive direction and control of the Baltimore City Health Department and for the enforcement of various City ordinances dealing with public health. The agency is composed of several divisions. Major program areas include environmental health; communicable disease; maternal and infant care; child, adolescent and family health services; school health; mental health with substance abuse and addictions services; health services for seniors; and healthy homes. The Commission on Aging and Retirement Education was merged into the Health Department beginning in fiscal year 2011.

As the local health authority, the Health Department's mission is to serve Baltimore by promoting health and advocating for every individual's well-being, in order to achieve health equity for all residents, improve the health of the community and address health disparities.

The Health Department's work is driven through three principle tenets: to deliver services and public health information directly to community members, to engage the community in setting goals, and to tackle the root causes of poor health within the City.

The following is a summary of the various services provided by the Health Department that were included as part of our Performance Audit:

1. **Substance Abuse and Mental Health (Service 307)** Behavioral Health System Baltimore (BHSB) oversees Baltimore City's behavioral health system that addresses emotional health and well-being and provides services for substance use and mental health disorders. BHSB advocates for and helps guide innovative approaches to prevention, early intervention, treatment and recovery for those who are dealing with mental health and substance use disorders. This service operates on a contract with BHSB as a local area health system and does not support any full-time City positions.
2. **Environmental Health (Service 717)** This service protects public health by conducting inspections of food service facilities and other facilities requiring sanitation to ensure compliance with State and local health codes. This service licenses and inspects food facilities, school swimming pools, institutional facilities, and tattoo operations to ensure health and safety requirements are met, and investigates environmental nuisances and hazards.

**Baltimore City Health Department  
Performance Audit  
Audit Scope, Objectives and Methodology  
Fiscal Years Ended June 30, 2017 and 2016**

We conducted a performance audit of selected functions within the Baltimore City Health Department (BCHD) for the stated period. The purpose of our performance audit was to determine: a) whether BCHD met its performance measure targets, and b) whether its internal controls and the related policies and procedures were effectively designed and placed in operation to monitor, control, and report valid and reliable information that is significant to selected performance measures or functions for the stated period. We conducted our performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of our audit were to determine whether BCHD met its targets for selected performance measures and functions in the stated period and to assess whether BCHD's internal controls and related policies, processes, and procedures were effectively designed and placed in operation to monitor, control, and report valid and reliable information related to those performance measures. Our audit included selected performance measures within the following Baltimore City Health Department Service Areas, including functions recommended by the Biennial Audit Oversight Commission:

1. **Substance Abuse and Mental Health – Service 307.** We conducted our audit of the Baltimore City Health Department's Naloxone Program to determine the success of the program for preventing and decreasing the number of opioid-related overdose deaths in Baltimore City during fiscal years 2017 and 2016. The Naloxone Program audit was recommended by the Chairman of the Biennial Audit Oversight Commission (BAOC). (Priority Outcome: Healthier City)
2. **Environmental Health – Service 717.** We conducted our audit of the Baltimore City Health Department's efforts to meet its targets for percent of mandated food service facility inspections completed. (Priority Outcome: Healthier City)
3. **Stockroom/Storeroom Policies and Procedures.** We conducted our audit of the BCHD's stockrooms/storerooms to determine whether its internal controls and related policies and procedures in place are effectively designed and placed in operation to secure, safeguard, and account for its assets kept in its various storerooms/stockrooms. The stockroom/storeroom function was not included as a performance measure in the City's Budget Books, but was recommended by the Office of the Inspector General.

**Baltimore City Health Department  
Performance Audit  
Audit Scope, Objectives and Methodology  
Fiscal Years Ended June 30, 2017 and 2016**

To accomplish our objectives, we conducted inquiries of key individuals to obtain an understanding of the internal controls and related policies, processes and procedures, and systems, established by BCHD for the selected performance measures and functions. Where possible, we also utilized the systems' documentation obtained as part of our audit of the City's Comprehensive Annual Financial Report (CAFR). We also performed tests, as necessary, to verify our understanding of the applicable policies and procedures; reviewed applicable records and reports utilized to process, record, monitor, and control BCHD's functions pertaining to the selected performance measures; assessed the efficiency and effectiveness of those policies and procedures; and determined whether the BCHD met its performance measure targets.

The findings and recommendations are detailed in the Findings, Recommendations, and Audit Results section of this report. The responses of BCHD are included in Appendix I of this report.

**Baltimore City Health Department  
Performance Audit  
Findings, Recommendations and Audit Results  
Fiscal Years Ended June 30, 2017 and 2016**

*Environmental Health – Service 717. Percent of mandated food service facility inspections completed.*

**Finding #1 - Targets**

**Condition:**

Baltimore City Health Department (BCHD) – Environmental Health Services did not meet its targets for the percent of mandated food service facility inspections completed during fiscal years 2017 & 2016.

**Criteria:**

According to BCHD, there are 3 types of inspections: 1) High Priority Facility – required by COMAR to be inspected 3 times a year; 2) Moderate Priority Facility – required by COMAR to be inspected 2 times a year; and 3) Low Priority Facility – required by COMAR to be inspected 1 time every 2 years.

	TARGET	ACTUAL
FY 2017	65%	40.2%
FY 2016	65%	55.8%

Also according to BCHD, the total number of inspections required during fiscal years 2017 and 2016 was 8,665. However, BCHD did not have documentation to support the 8,665 inspections. Records provided by BCHD showed that 3,483 and 4,836 routine inspections were completed during fiscal years 2017 and 2016, respectively, broken down as follows:

Inspection Type	FY 2017	FY 2016
High	2,028	3,163
Moderate	1,039	1,368
Low	414	299
N/A	2	6
<b>Total</b>	<b>3,483</b>	<b>4,836</b>

Recalculation: FY 2017      3,483 / 8,665 = 40.2%  
 FY 2016              4,836 / 8,665 = 55.8%

Because BCHD reported that it did not meet its targets for fiscal years 2017 and 2016, and BCHD did not maintain records to support the total number of inspections that should have been done, we did not perform additional testing of the amounts reported by BCHD.



**Baltimore City Health Department  
Performance Audit  
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**Finding #1 – Targets (Continued)**

**Cause:**

BCHD had 13 food control inspectors during fiscal years 2017 and 2016. However, according to a State Department of Health and Mental Hygiene Report, dated September 2016, BCHD would need 41 food control inspectors to meet the requirements of COMAR. Based on our interview with Environmental Health Services, staffing is not adequate as there are about 5,000 food service facilities with 13 food inspectors to perform the mandated inspection. Also, according to information that BCHD provided to the Bureau of Budget and Management Research, the fiscal year 2017 decrease in the percentage of inspections completed was due to the reallocation of resources for the prevention of Zika.

**Effect:**

By not meeting the target for mandated food services facility inspections completed, there is a potential risk that food service facilities do not meet the requirements set forth by COMAR. This situation could result in potential public health problems and issues.

**Recommendation:**

**We recommend that BCHD consider the possibility of hiring more food control inspectors in order to meet the targets for the number of inspections required by COMAR. We also recommend that BCHD maintain records to support the number of inspections that should be conducted during the fiscal year.**

**Baltimore City Health Department  
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**Finding #2 - Inconsistency**

**Condition:**

The FY 2016 actual amount was inconsistently reported in the fiscal years 2019 and 2018 budget books as 55.8% and 77%, respectively. Actual amounts for performance measures are normally reported two years after the applicable fiscal year. For example, actual amounts for fiscal year 2016 performance measures are first reported in the City’s 2018 Budget Book.

	FY 2016 ACTUAL
Budget Book FY 2019	55.8%
Budget Book FY 2018	77%

**Criteria:**

Proper internal controls over information/data being reported.

**Cause:**

BCHD-Environmental Health Services created a new reporting system during fiscal year 2016 in the Quality Management Software (QMS) system to extract data. The report indicated a 77% inspection completion rate, 22% over the previous year. BCHD believed that the increase was attributed to a more accurate report that was generated by the QMS. According to BCHD, however, because the fiscal year 2017 data collected varied significantly from the fiscal year 2016 report, the fiscal year 2016 report was re-run. Based on that re-run for fiscal year 2016, BCHD determined that the correct amount should have been 55.8%.

**Effect:**

Providing incorrect data would cause performance results to be misleading.

**Recommendation:**

**Prior year actual performance measure amounts should not be changed in subsequent year Budget Books without approval by the Department of Finance and adequate disclosure in the City’s Budget Book by the Bureau of Budget and Management Research, in order to avoid misleading performance results. We also recommend that BCHD implement procedures to review reports and the data contained therein, especially those reports that support the performance measure results, for completeness and accuracy.**

**Baltimore City Health Department  
Performance Audit  
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*Stockroom/Storeroom Policies and Procedures*

**Finding #3 – No written Policies and Procedures**

**Condition:**

BCHD did not have written policies and procedures available for monitoring, controlling, and reporting stockroom/storeroom inventories. According to BCHD, there are 48 different locations for the various stockroom/storeroom inventories, and each has its own policies and procedures. We visited 7 of the 48 storerooms/stockrooms and requested written policies and procedures. Three of the stockrooms (two stockrooms located at 620 N. Caroline – Maternal and Infant Care and one stockroom located at 2901 Druid Park Drive – Naloxone Program) were unable to provide the written policies and procedures to monitor, control, conduct physical inventories, and report inventory amounts. In addition, there were no centralized reports to account for total inventory amounts and the dollar value of BCHD’s total inventory.

**Criteria:**

The City of Baltimore Administrative Manual AM-305-1 Part I *Control of City Inventory and Management of City Assets* states that “Agencies or Bureaus shall physically count all materials, tools, and equipment at least once per fiscal year and establish a procedure for performing continuous cycle counts for high-theft and/or high-dollar items.”

**Cause:**

Written policies and procedures were not available at the time of request.

**Effect:**

The absence of written policies and procedures contributes to weak internal controls, inefficient operations, and assets that are not adequately secured and safeguarded against loss or unauthorized use.

**Recommendation:**

**We recommend that BCHD establish standardized basic inventory policies and procedures for all stockrooms in order to safeguard assets, to ensure that the stockrooms are operating effectively and efficiently, and to account for all additions to and withdrawals from inventory. We also recommend that BCHD maintain records to document periodic inventory counts, compare those counts to the inventory records, and investigate any differences. We also recommend that BCHD develop a centralized reporting system for total inventory amounts and the total value of those inventories.**

**Baltimore City Health Department  
Performance Audit  
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**Finding #4 – Segregation of Duties**

**Condition:**

Duties for proper inventory control were not adequately segregated. During our audit of the procedures for each of the seven stockrooms we visited, we requested documentation from BCHD for employee/s with stockroom access (actual custody), employee/s in charge of inventory records, and employee/s that performed the actual inventory counts. For those seven stockrooms, five (two stockrooms located at 620 N. Caroline, two stockrooms located at 842 Hillen, and one located at 7 E. Redwood) showed that the designated employee responsible for physical inventory was also responsible for maintaining the inventory records. The other two stockrooms (1001 E. Fayette and 2901 Druid Park Drive) showed that there were two employees performing the physical inventory, but one of those employees also maintained inventory records.

**Criteria:**

In a properly designed inventory system, duties should be adequately segregated to reduce the opportunity for someone to both perpetrate and conceal errors and irregularities in the normal course of duties.

**Cause:**

BCHD did not have written standardized procedures addressing adequate segregation of duties related to the stockroom operations.

**Effect:**

Without adequate segregation of duties, assets held in the stockrooms become susceptible to loss or unauthorized use because of lack of controls.

**Recommendation:**

**We recommend that BCHD segregate the key stockroom duties and responsibilities to different employees to secure and safeguard assets against unauthorized use or risk of loss without being detected in a timely manner.**

**Baltimore City Health Department  
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**Finding #5 – Obsolete Equipment**

**Condition:**

During our audit tests of the seven selected stockrooms, we noted that one stockroom, located at 620 N. Caroline, contained obsolete and damaged equipment (a broken ML300 Display typewriter, a Motorola analogue cell phone, and several “Authorization for Release” form packages that include the name of a former Mayor).

**Criteria:**

The City of Baltimore Administrative Manual AM-305-1 Part II *Inventory System Stock Items* states that employees “segregate obsolete or damaged goods and materials and dispose of the same by established procedures.” These procedures are established in accordance with the *Property Disposal Program (AM -306-1 and AM-306-1-1)*.

**Cause:**

While counting inventory, BCHD did not segregate obsolete inventory for disposal and continued to hold it in a stockroom.

**Effect:**

Obsolete inventory takes up space that could otherwise be used for current and more useful inventory.

**Recommendation:**

**We recommend that BCHD establish procedures to segregate and/or dispose of obsolete or damaged goods and materials and include applicable information with the inventory records for assets that have a designated shelf life, expiration date, or warranty expiration period.**

**Finding #6 – Incomplete Recording of Inventory**

**Condition:**

During our audit of the seven stockrooms, we noted that one stockroom contained several valuable pieces of electronic equipment that were unmarked/untagged and not listed as part of the stockroom inventory. This included six Dell operating systems, a Dell laptop, an Epson AV Projector, a Texas Instrument DCP InFocus Projector, a 32 inch HD LEP TV, five Coby V-Zon DVD Players, a ML300 Display Typewriter, a Motorola analogue cell phone, and seven Samson radios. We also observed that the stockroom was not organized, and it was difficult to locate some of the items on the inventory list.

In addition, we observed that the inventory sheets did not include the dollar amounts of the items listed. We requested the dollar amounts of the inventory list provided for the seven selected stockrooms from a population of 48 stockrooms for testing. BCHD was unable to provide us with the dollar value for the current inventory listing at four of those stockrooms.

**Baltimore City Health Department  
Performance Audit  
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**Finding #6 – Incomplete Recording of Inventory (Continued)**

**Criteria:**

The City of Baltimore Administrative Manual AM-305-1 Part I *Control of City Inventory and Management of City Assets* states that “Inventories of valuable equipment items that are easily portable, e.g., slide projectors, typewriters, desk computers, hand mowers, vacuum cleaners, mobile phones, tablets, etc., require special attention. This equipment must be tagged, and officially assigned to a specific person who agrees to keep the equipment safeguarded.”

Also, the City of Baltimore Administrative Manual AM-305-1 Part 2 – *Inventory System: Stock Items*, states that “An inventory record will provide for recording recipients, issues, and balances on hand, usually in both quantities and dollar amounts.” The dollar value of inventory is also necessary to meet AM-305-1 Part 1 – *Control of City Inventory and Management of City Assets*, which states that “Agencies or Bureaus shall...establish a procedure for performing continuous cycle counts for high-theft and/or high-dollar items.”

**Cause:**

BCHD did not tag and include valuable equipment items in their inventory list. Also, BCHD did not have established physical inventory procedures to record the amount or value of their current inventory.

**Effect:**

Unmarked equipment not accounted for in an inventory sheet is at a higher risk of being lost or stolen. Also, inventory with an unknown value would cause the BCHD’s asset value to be misrepresented on a financial statement.

**Recommendation:**

**We recommend that BCHD ensure that all valuable equipment items be tagged and accounted for, include the dollar value for materials, supplies and equipment items included in the inventory sheets, and perform frequent counts for the high-dollar items. We also recommend that the stockrooms be organized to ensure accurate inventory and prevent unauthorized use or possible theft.**

**Baltimore City Health Department  
Performance Audit  
Findings, Recommendations and Audit Results  
Fiscal Years Ended June 30, 2017 and 2016**

**Finding #7 – Reconciliation of Inventory Listing**

**Condition:**

None of the seven stockrooms were able to fully reconcile their inventory listings to the physical counts that we made. Also, two stockrooms held assets that were not included on the inventory sheets, and another stockroom did not have certain assets on hand that were included on the inventory sheets.

Also, BCHD provided us with inventory sign in/out sheets for three of the stockrooms. Upon examination of the documents provided, we determined that at the 1001 E. Fayette stockroom, the sign in/out sheets were not properly completed (the serial number was not recorded). We also noted that some equipment in the stockroom was not listed on the inventory sheet, and others could not be traced to the inventory sign in/out sheets. At the 2901 Druid Park Drive stockroom, BCHD's count of inventory and supporting inventory sign in/out sheets did not agree to a reconciled prior date inventory balance. At the 7 E. Redwood stockroom, the sign out sheet did not adequately support the difference between the auditor's count and the counts stated on the inventory sheet.

**Criteria:**

The City of Baltimore Administrative Manual AM-305-1 Part I *Control of City Inventory and Management of City Assets* states that "Agencies or Bureaus shall physically count all materials, tools, and equipment at least once per fiscal year and establish a procedure for performing continuous cycle counts for high-theft and/or high dollar items."

**Cause:**

BCHD does not have adequate controls to support the reconciliation of the inventory lists to the inventory on hand.

**Effect:**

The inventory list does not reflect the current assets held in the stockroom and therefore may provide misleading information. In addition, assets not properly reflected in an inventory listing are at a higher risk of being lost or stolen.

**Recommendation:**

**We recommend that BCHD establish controls to ensure that the inventory listings are properly supported by the physical counts of the stockroom inventory and use serially numbered inventory count tags to document support for inventory counts.**

**Baltimore City Health Department  
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*Substance Abuse and Mental Health – Service 307 –How successful is the Naloxone Program*

**Audit Results:**

Naloxone is a medication administered to reverse the effect of opioid overdose, and is commonly referred to by the brand name Narcan. In 2016, BCHD’s Staying Alive Program (SAP) started supplying Naloxone as the City has seen an increase in opioid-related deaths and overdoses. In June 2017, the Health Commissioner of Baltimore City issued an updated Standing Order (blanket prescription) to allow pharmacies to dispense Naloxone to anyone, regardless of whether the person has been trained by the Overdose Response Program (ORP). Naloxone has a low risk of side effects and has no potential for abuse. BCHD defines the success of the program in the number of reversals performed and collects its data through SAP in conjunction with its Needle Exchange Program (NEP). The performance measures for the Naloxone Program are determined by the State and do not include target numbers to achieve. BCHD is only required to collect and tabulate data on the City-run ORP. BCHD also receives the data from other Baltimore City ORPs on a monthly basis, and the aggregate data is reported to the State monthly. The Baltimore City Fire Department (BCFD) - EMS and the Baltimore City Police Department (BCPD) also perform overdose reversals; however, their numbers were not included in the SAP-ORP data. BCPD recently started reporting its reversals to BCHD through the Opioid Education and Naloxone Distribution (OEND) data collection. BCFD - EMS reported reversals during calendar years 2017 and 2016 of 5,125 and 4,253, respectively. BCPD has reported its reversals for calendar years 2017 and 2016 as 108 and 81, respectively. BCFD - EMS and BCPD are not considered as ORP.

**BCHD Data**

	<b>CY 2017</b>	<b>CY 2016</b>	<b>CY 2015</b>	<b>Cumulative Total</b>
<b>Number of Naloxone Kits Distributed</b>	6,521	4,721	1,909	13,151
<b># of Reversals Reported</b>	979	460	NA	1,439

<b>% change CY17 from CY16</b>	
<b>Number of Naloxone Kits Distributed</b>	38.13%
<b># of Reversals Reported</b>	112.83%

The numbers shown in the chart above represent only BCHD and do not include other ORPs. Additionally, BCHD believes that the number of reversals shown above were under-reported since not all reversals performed were reported to BCHD. Based on the above information, the number of reversals performed has increased during the three-year period and indicates that apparently, the Naloxone Program is successful since more lives have been saved.



**Baltimore City Health Department  
Performance Audit  
Findings, Recommendations and Audit Results  
Fiscal Years Ended June 30, 2017 and 2016**

**Finding #8 – Incomplete Overdose Reversal Forms**

**Condition:**

Some of the Overdose Reversal Forms were missing key information. During our audit, we selected 20 Overdose Reversal Forms to review for completeness of data in key fields necessary to evaluate the success of the Naloxone Program. We found that 4 of the 20 forms were missing some key information; for example, number of doses administered, whether the Naloxone worked, and whether it was reported by the person who administered the Naloxone.

**Criteria:**

Proper control processes should be designed to provide reasonable assurance regarding the effectiveness & efficiency of operations and reliability of reported amounts.

**Cause:**

While completing Overdose Reversal Forms, BCHD staff did not complete all relevant key data fields.

**Effect:**

Lack of complete information could hinder the ability of BCHD to fully analyze data to determine the impact of the program.

**Recommendation:**

**We recommend that BCHD establish procedures to ensure the completeness of the information included on the Overdose Reversal Form, especially the key information to assess the success of the Naloxone Program. We also recommend that BCHD communicate to staff the need to completely and accurately fill out the forms.**

**Finding #9 – Inaccurate Data Preparation**

**Condition:**

During our audit of the schedules to support the annual consolidated Opioid Education and Naloxone Distribution (OEND) State Report, we found various clerical or formula errors where data had not been correctly reported in the row or column totals from the supporting schedules.

**Baltimore City Health Department  
Performance Audit  
Findings, Recommendations and Audit Results  
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**Finding #9 – Inaccurate Data Preparation (Continued)**

**Criteria:**

Proper control processes should be designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and reliability of reported amounts.

**Cause:**

The inaccurate totals were due to errors in the formulas input into the Excel file (OEND Report) used to calculate the data.

**Effect:**

Errors in the input formulas will cause the data to calculate incorrectly causing the required reporting fields in the state report to be inaccurate.

**Recommendation:**

**We recommend that BCHD establish procedures to review the formulas for completeness and accuracy of information that supports the OEND State Reports.**

## **Appendix I**

# **Baltimore City Health Department's Response To the Performance Audit Report**

## Appendix I



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Baltimore City Health Department  
1001 E. Fayette Street • Baltimore, Maryland 21202  
*Catherine E. Pugh, Mayor*  
*Leana Wen, M.D., Commissioner of Health*

### **Baltimore City Health Department - Biennial Performance Audit Findings and Responses - 2016-2017**

**TO:** Audrey Askew, City Auditor – City of Baltimore  
**FROM:** Malcolm Haynes, Chief of Finance and Administration – Baltimore City Health Department  
**SUBJECT:** FY2016-17 Performance Audit Management Response  
**DATE:** August 6, 2018

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Regarding the findings related to the Biennial Audit for the fiscal years 2016-2017 performed by the Baltimore City Department of Audits (BCDA), the Baltimore City Health Department (BCHD) submits the following responses:

#### **Environmental Health Services findings and responses 1-2**

*Finding 1:* BCHD Environmental Health Services did not meet its target of mandated food service facility inspections.

*Response:* The division is working to its full capacity and takes issue with the audit recommendation for hiring additional Environmental Sanitarians, primarily because the decision to hire additional staff is contingent upon the availability of additional budget dollars and budget decisions remain the discretion of the mayor and her senior advisors. BCHD has considered hiring more food control inspectors in the past; the Department submitted an enhancement request for three additional environmental sanitarians as part of its FY2019 budget proposal. This request was denied. These challenges notwithstanding, the Bureau of Environmental Health remains committed to protecting the health of the public by providing thorough and timely inspections with the current resources available.

*Finding 2:* BCHD Environmental Health Services did not have approval to change its performance measures in the budget books.

*Response:* The intent was to provide accurate data. However, if a performance measure needs to be changed in the future, BCHD will do so only with approval from the Baltimore City Department of Finance. EIS will maintain all records of request and reports provided by Jadian Inc., the QMS provider, as well as run reports. They will be stored on the division's shared drive.

#### **Storeroom findings and responses 3-7**

*Finding 3:* BCHD did not have written policies and procedures for monitoring, controlling, and reporting over storeroom/stockroom inventories.

*Finding 4:* BCHD did not properly segregate the functions of inventory control.

*Finding 5:* BCHD Eastern Clinic contained obsolete and damaged equipment.

*Finding 6:* BCHD storeroom contained untagged valuable items of equipment.

*Finding 7:* BCHD storerooms were not able to reconcile their inventory listings to the physical counts.

*Response:* BCHD will establish standardized inventory policies and procedures to safeguard assets, to ensure the efficient and effective operation of the storerooms, and to account for all additions and reductions from the inventory.

Furthermore, it will maintain adequate records, conduct periodic physical inventories, and investigate any discrepancies.

BHCD recognizes the weaknesses associated with its general storeroom and inventory management. Given the decentralized nature of the Department's various programs and storerooms, combined with rigid rules associated with the use of grant-purchased materials and supplies, consolidation of the storeroom management function has proven to be a significant challenge to address. Despite these challenges, the Department is taking steps to establish greater centralized control over its inventory of materials and supplies by refining existing storeroom policies and establishing new ones, all aimed at minimizing the risk of loss of inventory. Further, BCHD will continue to reassess its capabilities to redistribute resources to bolster capacities in areas identified as weaknesses.

#### **Naloxone Program findings and responses 8-9**

*Finding 8:* BCHD Naloxone Overdose Reversal Forms were missing key information.

*Response:* BCHD will revise its staff training to emphasize the importance of accurate reporting of the reversal forms. Furthermore, BCHD will study and identify problem areas and develop solutions to them.

*Finding 9:* BCHD Naloxone Program contained clerical or formula errors in the OEND State Report.

BCHD corrected the errors on the OEND spreadsheet. Furthermore, it changed the formulas in the cells. It also locked the cells to prevent accidental changes in the formulas.