

Audit Report

Maryland Department of Health Vital Statistics Administration

March 2025

Public Notice

In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.



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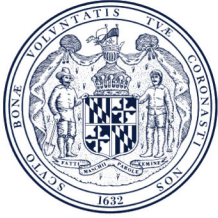
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DEPARTMENT OF LEGISLATIVE SERVICES
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MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
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March 19, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Vital Statistics Administration (VSA) of the Maryland Department of Health (MDH) for the period beginning January 16, 2020 and ending January 15, 2024. VSA is primarily responsible for registering all births and deaths occurring in the State; issuing certified copies of birth, death, and marriage certificates; and compiling and analyzing various vital statistics data. During the audit period VSA had a significant vacancy rate, which may have contributed, at least in part, to the findings in this report.

Our audit disclosed that in 2019, VSA initiated a major information technology development project for the Integrated Electronic Vital Records Registration System (IEVRRS). We noted that VSA did not adequately monitor the IEVRRS project management vendor and was unable to provide sufficient details justifying a \$16 million (122 percent) increase to the project costs and a 4-year delay in the estimated project completion date.

Our audit also noted that VSA did not obtain support for amounts invoiced and paid to IEVRRS vendors and made payments totaling \$53,000 that were not in accordance with the related contract. For example, VSA did not obtain documentation to support eight payments to three vendors totaling \$1.6 million for the reimbursement of payroll costs.

In addition, our audit disclosed cybersecurity-related findings. However, in accordance with the State Government Article, Section 2-1224(i) of the Annotated Code of Maryland, we have redacted the findings from this audit report. Specifically, State law requires the Office of Legislative Audits to redact cybersecurity findings in a manner consistent with auditing best practices before

the report is made available to the public. The term “cybersecurity” is defined in the State Finance and Procurement Article, Section 3.5-301(b), and using our professional judgment we have determined that the redacted finding falls under the referenced definition. The specifics of the cybersecurity findings were previously communicated to those parties responsible for acting on our recommendations.

Furthermore, we noted VSA did not review manual changes to birth records and did not establish adequate controls over collections. For example, VSA did not ensure Local Health Departments remitted fees collected on behalf of VSA resulting in the failure to identify and recover at least \$376,000.

Finally, our audit included a review to determine the status of the four findings contained in our preceding audit report. For the non-cybersecurity-related findings, we determined that VSA satisfactory addressed two of those three findings. The remaining finding is repeated in this report.

MDH’s response to this audit, on behalf of VSA, is included as an appendix to this report. Consistent with State law, we have redacted the elements of MDH’s response related to the cybersecurity audit findings. We reviewed the response and noted general agreement to our findings and related recommendations. Based on our review of the written responses and additional clarification obtained from MDH, we believe the corrective actions identified are sufficient to address all audit issues.

We wish to acknowledge the cooperation extended to us during the course of this audit by VSA. We also wish to acknowledge MDH’s and VSA’s willingness to address the audit issues and to implement appropriate corrective actions.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

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Background Information

Agency Responsibilities

The Maryland Department of Health (MDH) Vital Statistics Administration (VSA) is responsible for registering all births and deaths occurring in the State; issuing certified copies of birth, death, and marriage certificates; and compiling and analyzing various vital statistics data. Certified copies of these certificates are available, for a fee, at the VSA headquarters location in Baltimore, at 22 local health departments (LHDs),¹ at 7 Motor Vehicle Administration (MVA) branches,² and through the mail, phone, and VSA's website.

According to the State's records, during calendar year 2024, VSA's operating expenditures totaled approximately \$6.6 million, as shown in Figure 1 on the following page. During the period June 30, 2020 through June 30, 2024, VSA had vacancy rates that ranged from 8.6 percent to 26.4 percent. These vacancies may have contributed, at least in part, to the findings in this report.

¹ LHDs in Baltimore City and Baltimore County do not issue copies of birth and death certificates. Individuals in these jurisdictions can request copies of certificates from VSA's Division of Vital Records located in Baltimore City.

² Certified copies of birth certificates can be issued for the purpose of obtaining a driver's license at the following MVA branches: Annapolis, Baltimore City, Essex, Frederick, Gaithersburg, Largo, and Salisbury.

Figure 1
Vital Statistics Administration
Positions, Expenditures, and Funding Sources

Full Time Equivalent Positions as of June 30, 2024		
	Positions	Percent
Filled	76	71.7%
Frozen ³	2	1.9%
Vacant	28	26.4%
Total	106	
Fiscal Year 2024 Expenditures		
	Expenditures	Percent
Salaries, Wages, and Fringe Benefits	\$5,088,038	77.7%
Technical and Special Fees	699,723	10.7%
Operating Expenses	762,785	11.6%
Total	\$6,550,546	
Fiscal Year 2024 Funding Sources		
	Funding	Percent
General Fund	\$5,186,021	79.2%
Special Fund	1,150	0.0%
Federal Fund	1,324,596	20.2%
Reimbursable Fund	38,779	0.6%
Total	\$6,550,546	

Source: State financial and personnel records

Maryland Electronic Vital Records Registration Systems

According to VSA management, the Electronic Birth Registration System (EBRS) and the Work Order Management System (WOMS) went live in May 2023, which were parts of VSA’s Integrated Electronic Vital Records Registration Systems (IEVRRS). VSA also maintains the Electronic Death Registration System (EDRS), which is also a part of IEVRRS.

³ Prior to December 1, 2021, a hiring freeze resulted in certain positions being frozen. Agencies were not authorized to fill frozen positions according to budgetary instructions from the Department of Budget and Management. Any position that is currently marked as frozen has not been filled since the freeze was lifted; however, these positions now are available to be filled.

- EBRIS is primarily used by medical facilities for the registration of births⁴ and by VSA for making manual adjustments to the records.
- WOMS is used by VSA and LHDs to issue certified copies of certificates, such as birth⁵ and death certificates and/or for preparing reports of vital statistics data.
- EDRS is primarily used by medical certifiers, funeral directors, and VSA for the registration of deaths.

The Maryland Department of Health – Office of the Secretary and the Department of Human Services – Office of the Secretary are responsible for the operation and maintenance of the network supporting IEVRRS.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the four findings contained in our preceding audit report dated November 10, 2020. As disclosed in Figure 2 on the following page, for the non-cybersecurity-related findings, we determined that VSA satisfactorily addressed two of those three findings. The remaining finding is repeated in this report.

⁴ The term registration of births is the process of inputting information, such as, parents' name, birthdate, and address into EBRIS to enable VSA to issue a birth certificate.

⁵ As noted on page 5, MVA issues certified copies of birth certificates on a limited basis.

Figure 2
Status of Preceding Findings

Preceding Finding	Finding Description	Implementation Status
Finding 1 (Policy Issue)	The Vital Statistics Administration (VSA) did not require that documentation supporting the propriety of certified copies of birth certificates issued be retained and reviewed by supervisors.	Not Repeated
Finding 2	VSA did not have sufficient procedures to ensure local health department (LHD) site visits were comprehensive and documented. In addition, the results of the site visits were not formally communicated to the LHDs and related corrective action plans were not received.	Not Repeated
Finding 3	VSA maintained sensitive personally identifiable information in a manner that did not provide adequate safeguards.	Status Redacted ⁶
Finding 4	VSA had not established adequate procedures and controls over collections from certificate fees.	Repeated (Current Finding 7)

⁶ Specific information on the current status of this cybersecurity-related finding has been redacted from the publicly available report in accordance with State Government Article, Section 2-1224(i) of the Annotated Code of Maryland.

Findings and Recommendations

Integrated Electronic Vital Records Registration System (IEVRRS)

Background

In 2019, VSA initiated a major information technology development project (MITDP) for the Integrated Electronic Vital Records Registration System (IEVRRS). The IEVRRS was to operate on the Maryland Total Human Services Integrated Network (MD THINK) platform⁷ with the following functions:

- allow secure web-based entry of all births and deaths;
- import marriage and divorce records;
- support the search, retrieval, and issuance of certificates;
- track the acceptance fees and the use of security paper;
- integrate with Maryland's Electronic Death Registration System (EDRS);
- support user accounts at all Maryland medical and funeral facilities;
- enable search and issuance capabilities for use by local health departments (LHDs) and Motor Vehicle Administrations (MVA); and
- allow for the export of new records in specific formats for electronic transfer to the National Center for Health Statistics and the sending of social security numbers to/from the Social Security Administration.

The Department of Information Technology (DoIT), assisted with the procurement of four vendors that were responsible for project design, development, implementation, and management. DoIT delegated to VSA the responsibility of monitoring the vendors to ensure the project was on budget and on time and to annually report the project status to DoIT. VSA used task orders from a DoIT master contract for one of the aforementioned four vendors to provide project management to fulfill VSA's monitoring and reporting responsibilities. As of June 30, 2023, expenditures for IEVRRS totaled \$10.5 million and the estimated total project costs was \$29.1 million with an estimated completion date in fiscal year 2027.

⁷ IEVRRS is a VSA owned application hosted on the shared MD THINK cloud platform operated by the Maryland Department of Human Services.

Finding 1

VSA did not adequately monitor the IEVRRS project management vendor to ensure that the project was completed on budget and on time. As of June 30, 2023, the projected IEVRRS budget costs have increased by \$16 million and the projected completion date has been delayed by four years.

Analysis

VSA did not adequately monitor the IEVRRS project management vendor and was unable to provide sufficient details justifying a \$16 million (122 percent) increase to the project costs and a 4-year delay in the estimated project completion date.

Our review of the *MITDP Annual Reports* prepared by the project management vendor for calendar years 2019 to 2023, disclosed that the IEVRRS' estimated cost to complete increased by \$16 million or 122 percent, from the initial amount of \$13.1 million to \$29.1 million, and the estimated completion date was extended from 2023 to 2027. While VSA provided general information related to \$10.2 million of this increase, such as, resolving issues with obtaining computer equipment, VSA could not provide documentation of the specific increased costs and additional time related to the project changes. Furthermore, VSA could not explain and lacked documentation supporting the remaining \$5.8 million increase.

The inability to monitor the project manager vendor may have been caused, at least in part, because VSA did not track payments to ensure they did not exceed the related task orders. In this regard, tracking these payments was difficult because they were made by several entities including the Maryland Department of Health (MDH) and DoIT.

Recommendation 1

We recommend that VSA

- a. monitor the project management vendor including obtaining and reviewing explanations for significant changes, such as increases in estimate costs and time to complete the project; and**
- b. coordinate with MDH and DoIT to track payments made to the project management vendor to ensure that they do not exceed the related task orders.**

Finding 2

VSA did not obtain support for amounts invoiced and paid to IEVRRS vendors. In addition, VSA made payments totaling \$53,000 that were not in accordance with the related contract, including overpayments totaling \$28,000.

Analysis

VSA did not obtain support for amounts invoiced and paid to IEVRRS vendors and made payments totaling \$53,000 that were not in accordance with the related contract. We tested 12 payments⁸ totaling approximately \$1.9 million made during the period from July 2020 to August 2023. Our test disclosed the following:

- VSA did not obtain documentation to support eight payments to three vendors totaling \$1.6 million for the reimbursement of payroll costs. Specifically, the vendors did not provide VSA with payroll records or receipts to support the invoices.
- VSA made three payments totaling approximately \$744,000 to one vendor of which \$53,000 was not in accordance with the related contract. Specifically, the three payments included overpayments to the vendor which totaled \$28,000. In this regard, while the contract established a rate of \$140 per hour; the vendor billed and VSA paid up to \$236 per hour. Additionally, VSA paid this same vendor for overhead totaling \$25,000 that was not authorized in the contract.

Recommendation 2

We recommend VSA

- a. obtain documentation, such as payroll records and receipts to support amounts invoiced;**
- b. ensure payments, such as labor rates and overhead are in accordance with the approved contract; and**
- c. take appropriate action, such as recouping payments that were not in accordance with the contract terms, including those noted above.**

⁸ We arbitrarily selected 3 payments from each of the 4 vendors.

Information Systems Security and Control

We determined that the Information Systems Security and Control section, including Findings 3 and 4 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(b) of the Annotated Code of Maryland, and therefore are subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Consequently, the specifics of the following findings, including the analysis, related recommendations, along with MDH’s responses, have been redacted from this report copy.

Finding 3
Redacted cybersecurity-related finding.

Finding 4
Redacted cybersecurity-related finding.

Birth Records

Finding 5
VSA did not review manual changes to birth records on EBRS.

Analysis

VSA did not perform reviews of manual changes in EBRS to birth records, such as name changes. The changes generally require a court order and are processed by VSA employees. According to VSA’s records, during the period from July 2023 through December 2023, 25 VSA employees processed 13,783 changes to birth records. VSA advised that, as of February 2024, no reviews were performed since June 2023 and VSA could not document reviews conducted prior to this period. Our test of 10 arbitrarily selected changes that were processed between July 2022 and December 2023, concluded that the changes were accurately recorded and properly supported.

This condition was caused, at least in part, because VSA did not have written procedures for reviewing the manual changes. Such procedures should include the number and frequency of the reviews, and the documentation required to support the changes.

Recommendation 5

We recommend that VSA

- a. review manual changes to birth records; and**
- b. establish written procedures for reviewing manual changes, including the frequency and number of changes to review and the level of documentation required to support the changes.**

Local Health Departments (LHDs)

Finding 6

VSA did not ensure LHDs remitted fees collected on behalf of VSA for certified copies of birth and death certificates resulting in the failure to identify and recover at least \$376,000.

Analysis

VSA did not ensure LHDs remitted fees collected on behalf of VSA for certified copies of birth and death certificates resulting in the failure to identify and recover at least \$376,000. VSA has a memorandum of understanding (MOU) with each of the 22 LHDs⁹ to issue certified copies of birth and death certificates to authorized applicants and to collect the related fees on its behalf. The MOU requires the LHDs to provide VSA with monthly reports of these collections. VSA uses the reports to submit information to the Maryland Department of Health's General Accounting Division to transfer funds from the LHDs to VSA. According to its records, VSA received approximately \$969,000 from fees collected by the LHDs during the period July 2023 through December 2023.

Our review of activity for the 22 LHDs between July 2023 and December 2023 disclosed that, as of April 2024, 16 LHD's did not submit the required reports for at least one month, including 2 LHDs (Prince George's County and Somerset County) which had not submitted the required reports since September 2022 and June 2019, respectively. Our review also disclosed that VSA did not follow-up with the LHDs to obtain the missing reports and did not use output reports from WOMS to identify certificates issued by these LHDs to calculate the amounts due.

As a result, we determined that VSA did not receive approximately \$376,000 for the certificate fees collected by these LHDs during the period of July 2023 through December 2023. We were unable to readily determine the total amount

⁹ LHDs in Baltimore City and Baltimore County do not issue copies of birth and death certificates. Individuals in these jurisdictions can request copies of certificates from VSA's Division of Vital Records located in Baltimore City.

of unremitted fees because VSA management advised that the records needed to determine the amount of funds due and collected prior to May 2023 were not readily available.

Recommendation 6

We recommend that VSA

- a. obtain LHD collection information either from the LHDs or through utilizing output reports from WOMS to determine amounts not provided to VSA, including those noted in the analysis above; and**
- b. collect amounts due from LHDs, including the aforementioned \$376,000.**

Cash Receipts

Finding 7

VSA had not established adequate procedures and controls over certificate fee collections received at its headquarters.

Analysis

VSA had not established adequate procedures and controls over birth, death, and marriage certificate fees received at its headquarters. According to State records, headquarters certificate fees totaled approximately \$4.4 million during calendar year 2023, including \$1 million of cash and checks received in person or in the mail and \$3.4 million received via credit card. For example, we noted the following:

- Collections received in the mail were not restrictively endorsed or initially recorded immediately upon receipt. Rather, checks were handled by at least two employees prior to being endorsed and recorded.
- Collections were routinely left unattended on an employee's desk until they were forwarded to a second employee for endorsement and recordation.
- VSA did not independently verify that cash and check collections were subsequently deposited. Our test of 10 arbitrarily selected deposits received between January 2022 and August 2023 disclosed that all collections tested were deposited intact.

The Comptroller of Maryland's *Accounting Procedures Manual*¹⁰ requires collections to be restrictively endorsed and initially recorded immediately upon receipt, and adequately secured until deposit. Additionally, the *Manual* requires collections be independently verified to deposit.

Similar conditions were noted in our prior audit. In response to that report, VSA agreed to implement new procedures requiring checks be restrictively endorsed upon receipt and an independent employee verifying collections were deposited by June 2020. However, as noted above, these procedures were not implemented.

Recommendation 7

We recommend that VSA

- a. restrictively endorse and initially record checks immediately upon receipt and ensure checks are properly safeguarded until deposit (repeat), and**
- b. ensure an employee independent of the cash receipt function verifies all collections from the initial recordation to the related deposit slip (repeat).**

¹⁰ The updated *Accounting Policies and Procedures Manual*, effective June 2024, has the same requirements.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Vital Statistics Administration (VSA), a unit within the Maryland Department of Health (MDH), for the period beginning January 16, 2020 and ending January 15, 2024. The audit was conducted 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.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine VSA's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included certain payroll functions, contract monitoring and payments, cash receipts, certificate issuance, monitoring of certificates issued by the Local Health Departments and Motor Vehicle Administration branches, and information systems security and control. We also determined the status of the findings contained in our preceding audit report.

Our audit did not include certain support services provided to VSA by MDH. These support services (such as certain payroll, purchasing, maintenance of accounting records, related fiscal functions, and certain aspects of the network information systems related to VSA's Maryland Electronic Vital Records Registration Systems (MD-EVRRS) are included within the scope of our audit of the MDH – Office of the Secretary and Other Units. Our audit also did not include other network information systems services related VSA's MD-EVRRS system that were provided to VSA by the Department of Human Services (DHS). These services are included within the scope of our audit of the DHS – Office of the Secretary and Related Units.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of January 16, 2020 to January 15, 2024, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of VSA's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from this source were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from VSA's vital records systems for the purpose of selecting test items and assessing user access. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

VSA's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to VSA, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of

internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect VSA's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to VSA that did not warrant inclusion in this report.

State Government Article Section 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of an audit report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3.5-301(b), states that cybersecurity is defined as “processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.” Based on that definition, and in our professional judgment, we concluded that certain findings in this report fall under that definition. Consequently, for the publicly available audit report all specifics as to the nature of cybersecurity findings and required corrective actions have been redacted. We have determined that such aforementioned practices, and government auditing standards, support the redaction of this information from the public audit report. The specifics of these cybersecurity findings have been communicated to MDH and those parties responsible for acting on our recommendations in an unredacted audit report.

The response from MDH, on behalf of VSA, to our findings and recommendations is included as an appendix to this report. Depending on the version of the audit report, responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise MDH regarding the results of our review of its response.

Exhibit 1
Listing of Most Recent Office of Legislative Audits
Fiscal Compliance Audits of Maryland Department of Health Units
As of January 2025 (Page 1 of 2)

Name of Audit		Areas Covered	Most Recent Report Date
1	Prevention and Health Promotion Administration, Office of Population Health Improvement, Office of Preparedness and Response, and Office of Provider Engagement and Regulation	<ul style="list-style-type: none"> • Prevention and Health Promotion Administration • Office of Population Health Improvement • Office of Preparedness and Response • Office of Provider Engagement and Regulation – Office of Controlled Substances Administration • Office of Provider Engagement and Regulation – Prescription Drug Monitoring Program 	08/09/24
2	Pharmacy Services	Pharmacy Services for <ul style="list-style-type: none"> • Medicaid Managed Care Program • Maryland Medicaid Pharmacy Program • Kidney Disease Program • Maryland AIDS Drug Assistance Program • Breast and Cervical Cancer Diagnosis and Treatment Program 	08/09/24
3	Laboratories Administration	Laboratories Administration	06/05/24
4	State Psychiatric Hospital Centers	<ul style="list-style-type: none"> • Clifton T. Perkins Hospital Center • Eastern Shore Hospital Center • Spring Grove Hospital Center • Springfield Hospital Center • Thomas B. Finan Hospital Center 	05/29/24
5	Health Regulatory Commissions	<ul style="list-style-type: none"> • Maryland Health Care Commission • Health Services Cost Review Commission • Maryland Community Health Resources Commission 	01/25/24
6	Medical Care Programs Administration - Managed Care Program	Managed Care Program, known as HealthChoice including oversight of the nine private Managed Care Organizations	12/14/23
7	Medical Care Programs Administration	Medical Care Programs Administration	11/02/23

Exhibit 1
Listing of Most Recent Office of Legislative Audits
Fiscal Compliance Audits of Maryland Department of Health Units
As of January 2025 (Page 2 of 2)

Name of Audit		Areas Covered	Most Recent Report Date
8	Office of the Secretary and Other Units	<ul style="list-style-type: none"> • Office of the Secretary • Deputy Secretary and Executive Director for Behavioral Health • Deputy Secretary for Developmental Disabilities • Deputy Secretary for Public Health • Deputy Secretary for Health Care Financing and Chief Operating Officer • Deputy Secretary for Operations 	10/19/23
9	Chronic Care Hospital Centers	<ul style="list-style-type: none"> • Deer’s Head Center • Western Maryland Hospital Center 	05/10/23
10	Developmental Disabilities Administration	Developmental Disabilities Administration	10/26/22
11	Behavioral Health Administration and Medical Care Programs Administration - Administrative Service Organization for Behavioral Health Services	<ul style="list-style-type: none"> • Behavioral Health Administration • Medical Care Programs Administration • Administrative Service Organization for Behavioral Health Services 	10/25/22
12	Intellectual Disabilities Residential Centers	<ul style="list-style-type: none"> • Holly Center • Potomac Center • Secure Evaluation and Therapeutic Treatment 	10/24/22
13	Regional Institutes for Children and Adolescents	<ul style="list-style-type: none"> • John L. Gildner Regional Institute for Children and Adolescents • Regional Institute for Children and Adolescents – Baltimore 	07/13/22
14	Office of the Chief Medical Examiner	Office of the Chief Medical Examiner	05/12/22
15	Regulatory Services	<ul style="list-style-type: none"> • 22 Health Professional Boards and Commissions • Office of Health Care Quality 	01/19/21

APPENDIX



Wes Moore, Governor · Aruna Miller, Lt. Governor · Ryan Moran, DrPH, MHSA, Acting Secretary

March 18, 2025

Mr. Brian S. Tanen, CPA, CFE
Legislative Auditor
Office of Legislative Audits
The Warehouse at Camden Yards
351 West Camden Street, Suite 400
Baltimore, MD 21201

Dear Mr. Tanen:

Enclosed, please find the responses to the draft audit report on the Maryland Department of Health – Vital Statistics Administration for the period beginning January 16, 2020 and ending January 15, 2024.

If you have any questions, please contact Frederick D. Doggett at 410-767-0885 or email at frederick.doggett@maryland.gov.

Sincerely,

Ryan B. Moran, DrPH, MHSA, Acting Secretary
Maryland Department of Health

Enclosures

cc: Erin K. McMullen, R.N., Chief of Staff, MDH
Emily Berg, JD, MPH, Deputy Chief of Staff
Nilesh Kalyanaraman, M.D., Deputy Secretary, Public Health Services, MDH
Erin S. Penniston, Chief of Staff, Public Health Services, MDH
Monique E. Wilson, Dr. P.H., Director, VSA
Crystal D. Weaver, Deputy Director and State Registrar, VSA
Frederick D. Doggett, Director, Internal Controls, Audit Compliance & Information Security, MDH
Deneen Toney, Deputy Director, Audit & Compliance, MDH
Carlean Rhames-Jowers, Chief Auditor, Internal Controls, Audit Compliance & Information Security, MDH

Maryland Department of Health Vital Statistics Administration

Agency Response Form

Integrated Electronic Vital Records Registration System (IEVRRS)

Finding 1
VSA did not adequately monitor the IEVRRS project management vendor to ensure that the project was completed on budget and on time. As of June 30, 2023, the projected IEVRRS budget costs have increased by \$16 million and the projected completion date has been delayed by four years.

We recommend that VSA

- a. monitor the project management vendor including obtaining and reviewing explanations for significant changes, such as increases in estimate costs and time to complete the project; and
- b. coordinate with MDH and DoIT to track payments made to the project management vendor to ensure that they do not exceed the related task orders.

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.			
Recommendation 1a	Agree	Estimated Completion Date:	Complete
Please provide details of corrective action or explain disagreement.	VSA is ensuring that we obtain documentation and review explanations for any significant changes to the budget. In this regard, VSA has also updated our internal project management documentation via an approved change request to document the increased budget and expanded timeline.		
Recommendation 1b	Agree	Estimated Completion Date:	6/30/25
Please provide details of corrective action or explain disagreement.	VSA is tracking payments to the various project vendors and ensures that payments do not exceed the associated task orders. In this regard, MDH has begun coordinating regularly with MDThink and will develop an SOP to document these processes.		

Maryland Department of Health Vital Statistics Administration

Agency Response Form

Finding 2

VSA did not obtain support for amounts invoiced and paid to IEVRRS vendors. In addition, VSA made payments totaling \$53,000 that were not in accordance with the related contract, including overpayments totaling \$28,000.

We recommend VSA

- a. obtain documentation, such as payroll records and receipts to support amounts invoiced;**
- b. ensure payments, such as labor rates and overhead are in accordance with the approved contract; and**
- c. take appropriate action, such as recouping payments that were not in accordance with the contract terms, including those noted above.**

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.			
Recommendation 2a	Agree	Estimated Completion Date:	6/30/25
Please provide details of corrective action or explain disagreement.	VSA is now coordinated regularly with MDThink, including ensuring we obtain documentation such as payroll records (where available) and receipts to support amounts invoiced.		
Recommendation 2b	Agree	Estimated Completion Date:	6/30/25
Please provide details of corrective action or explain disagreement.	VSA is now ensuring that payments (such as labor rates where available, and overhead) are in accordance with the approved contract/task order.		
Recommendation 2c	Agree	Estimated Completion Date:	6/30/25
Please provide details of corrective action or explain disagreement.	VSA will perform closer review of past invoices and will take appropriate action on any identified overpayments. VSA will develop an SOP to document these processes.		

Maryland Department of Health Vital Statistics Administration

Agency Response Form

Information Systems Security and Control

The Office of Legislative Audits (OLA) has determined that the Information Systems Security and Control section, including Findings 3 and 4 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(b) of the Annotated Code of Maryland, and therefore are subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Although the specifics of the following findings, including the analysis, related recommendations, along with MDH’s responses, have been redacted from this report copy, MDH’s responses indicated agreement with the findings and related recommendations.

Finding 3
Redacted cybersecurity-related finding.

Agency Response has been redacted by OLA.

Finding 4
Redacted cybersecurity-related finding.

Agency Response has been redacted by OLA.

**Maryland Department of Health
Vital Statistics Administration**

Agency Response Form

Birth Records

Finding 5
VSA did not review manual changes to birth records on EBRs.

We recommend that VSA

- a. review manual changes to birth records; and
- b. establish written procedures for reviewing manual changes, including the frequency and number of changes to review and the level of documentation required to support the changes.

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.			
Recommendation 5a	Agree	Estimated Completion Date:	Complete
Please provide details of corrective action or explain disagreement.	VSA continues to audit at least 25% of manual changes (amendments/corrections) made to the Electronic Birth Registration System (EBRS). VSA will increase the audit frequency if the results show changes are made without the required documentation.		
Recommendation 5b	Agree	Estimated Completion Date:	Complete
Please provide details of corrective action or explain disagreement.	VSA Management created a standard operating procedure that includes procedures for reviewing manual changes, including frequency and number of changes to review and the level of documentation required to support changes.		

Maryland Department of Health Vital Statistics Administration

Agency Response Form

Local Health Departments (LHDs)

Finding 6

VSA did not ensure LHDs remitted fees collected on behalf of VSA for certified copies of birth and death certificates resulting in the failure to identify and recover at least \$376,000.

We recommend that VSA

- a. obtain LHD collection information either from the LHDs or through utilizing output reports from WOMS to determine amounts not provided to VSA, including those noted in the analysis above; and
- b. collect amounts due from LHDs, including the aforementioned \$376,000.

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.			
Recommendation 6a	Agree	Estimated Completion Date:	Complete
Please provide details of corrective action or explain disagreement.	Notices, invoices and transmittals have been sent to the LHDs for all payments to date.		
Recommendation 6b	Agree	Estimated Completion Date:	6/30/2025
Please provide details of corrective action or explain disagreement.	Notices, invoices and transmittals have been sent to the LHDs for all payments due to date. LHDs have until 3/31/2025 to submit past due transmittals. VSA will take additional action, as necessary, if this deadline is missed.		

**Maryland Department of Health
Vital Statistics Administration**

Agency Response Form

Cash Receipts

Finding 7
VSA had not established adequate procedures and controls over certificate fee collections received at its headquarters.

We recommend that VSA

- a. restrictively endorse and initially record checks immediately upon receipt and ensure checks are properly safeguarded until deposit (repeat), and**
- b. ensure an employee independent of the cash receipt function verifies all collections from the initial recordation to the related deposit slip (repeat).**

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.			
Recommendation 7a	Agree	Estimated Completion Date:	Complete
Please provide details of corrective action or explain disagreement.	VSA has restrictively endorsed and initially record checks immediately upon receipt and ensure checks are properly safeguarded until deposit VSA has created a standard operating procedure that includes the guidelines for processing checks, which includes endorsing with a stamp and checks being locked in a safe immediately upon receipt.		
Recommendation 7b	Agree	Estimated Completion Date:	Complete
Please provide details of corrective action or explain disagreement.	VSA has ensured an employee independent of the cash receipt function verifies all collections from the initial recordation to the related deposit slip. VSA has created a standard operating procedure and back-up for the check deposit process to ensure the timely deposit of collections.		

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