



North Dakota Legislative Council

Prepared for the Legislative Audit and
Fiscal Review Committee
LC# 23.9549.01000
February 2023

SUMMARY OF MAJOR ITEMS IN AUDIT REPORTS FOR THE FEBRUARY 16, 2023, MEETING

STATE DEPARTMENT OF HEALTH (JUNE 30, 2021)

Audit purpose: The purpose of this audit was to determine that financial transactions including expenditures were made in accordance with law and appropriation requirements.

The agency's transactions were tested and included in the state's basic financial statements on which an unmodified opinion was issued.

Findings:

- **Inaccurate inventory and storage location of COVID-19 vaccine vials** - The department could not provide evidence they routinely reconcile COVID-19 vaccine inventory and storage location to the inventory system list. The State Auditor recommends the department follow federal Centers for Disease Control and Prevention guidance to reconcile all vaccines in storage on a monthly basis, including verifying the location in the inventory system to maintain accurate vaccine inventory records.
- **Vaccine issued out of incorrect storage location** - The department could not verify temperature data for the storage location for some vaccine dosages issued. The State Auditor recommends the department record accurate storage locations in inventory system records, properly store vaccines according to manufacturer temperature requirements, and monitor vaccine shelf life according to storage temperatures.
- **Improperly stored and tracked vaccines** - The State Auditor reported errors and missing documentation for vaccines transported to other providers, errors and missing documentation for vaccines transported to pop-up vaccine clinics and returned to the state warehouse, errors in use of digital data loggers, and missing documentation for fridge alerts for out-of-range temperatures. The State Auditor recommends the department ensure data logger data is identifiable by transport, improve training, perform internal monitoring procedures to ensure complete and accurate vaccine chain of custody records and cold chain temperature readings, ensure records retention, document internal monitoring procedures, and perform subsequent corrective actions.
- **Not following laboratory policy for approval process for RT-PCR microplates with greater than 25 percent positivity** - The department does not have a formal laboratory review process for lead technicians to consistently review high positivity rates of COVID-19 RT-PCR tests with evidence of their approval. The State Auditor recommends the department document approval and perform monitoring procedures that ensure lead laboratory technicians review and approve RT-PCR runs with greater than 25 percent positivity rates for COVID-19 in accordance with their standard operating procedures.

Prior audit findings:

- The State Auditor reported prior recommendations related to the improper distribution of rural emergency medical services grants and the agency exceeding a special fund appropriation have been implemented.

Audit cost as reported by the State Auditor's office:

State Department of Health	
State Auditor's office ¹	Not available
State Auditor's office hours ²	Not available
Hourly rate	Not available
Agency costs ³	\$0.00

¹This cost is determined by staff hours and costs. This is the cost to the State Auditor's office for completion of the audit.
²Staff hours incurred to complete the audit.

³This is the billable amount, based on the agency's special funds, which the State Auditor's office is required to bill, pursuant to Section 54-10-01(2) of the North Dakota Century Code, directly to the agency for completion of the audit and are deposited in the general fund. The State Auditor's office does not benefit from the money collected from billing for audit services from state agencies.

Observations/potential questions relating to the audit report:

- Subsection 1 of Section 54-10-01 provides the State Auditor shall charge an amount equal to the cost of the audit and other services rendered by the state auditor to all agencies that receive and expend moneys from other than the general fund. Why was the State Department of Health not charged for a portion of the cost of the audit since it receives and spends special funds?
- Why were contributions and private grants so much higher in fiscal year 2020?

**DEPARTMENT OF TRANSPORTATION
(JUNE 30, 2020 AND 2021)**

Audit purpose: The purpose of the audit was to determine if the Department of Transportation has proper procedures in place to protect sensitive information that is required to receive a REAL ID.

The agency's transactions were tested and included in the state's basic financial statements on which an unmodified opinion was issued.

Findings:

- **Individual access rights not correctly restricted** - The department did not properly assign or restrict individual access rights to the IDEMIA computer system used to store documents received to issue a REAL ID.
- **Lack of monitoring for inappropriate access to IDEMIA** - The department has not designed and implemented procedures to identify inappropriate access to sensitive personal information in IDEMIA, which could occur and could go undetected.
- **No evidence of appropriate training or acknowledgement of confidentiality** - The department did not have proper procedures in place to track required training and did not have procedures in place to track annual confidentiality policy acknowledgements.

Prior audit findings:

- There were no prior audit findings.

Audit cost as reported by the State Auditor's office:

Department of Transportation	
State Auditor's office ¹	Not available
State Auditor's office hours ²	Not available
Hourly rate	Not available
Agency costs ³	\$39,784
¹ This cost is determined by staff hours and costs. This is the cost to the State Auditor's office for completion of the audit. ² Staff hours incurred to complete the audit. ³ This is the billable amount, based on the agency's special funds, which the State Auditor's office is required to bill, pursuant to Section 54-10-01(2), directly to the agency for completion of the audit and are deposited in the general fund. The State Auditor's office does not benefit from the money collected from billing for audit services from state agencies.	

Observations/potential questions relating to the audit report:

None.