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Missouri State Auditor

INSURANCE, FINANCIAL
INSTITUTIONS, AND
PROFESSIONAL
REGISTRATION

Division of Professional
Registration

Missouri Dental Board

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CITIZENS SUMMARY

Findings in the audit of the Missouri Dental Board

Corrective Action	The Missouri Dental Board receives complaints from the public, which are reviewed and investigated so the board can determine how they can best be addressed. The board needs to improve procedures to ensure corrective action is taken when deficiencies in licensing and permit requirements are identified during the complaint investigation process. In one example, the board sent a letter to a dental office expressing concern over failure to maintain proper certifications, although corrective action was not requested and other permit issues identified were not addressed. Without ensuring corrective action is taken, the board cannot ensure it has met its responsibility to protect the public.
User Account Management	The Missouri Dental Board has not established adequate procedures to ensure access rights to the internal licensing system are appropriate. The licensing system is a division-wide system used by the various professional boards, which maintains confidential information on licensees, such as social security numbers and licensee complaints. Board personnel do not periodically review system access rights to ensure only proper personnel have access, which creates an increased risk that unauthorized changes could go undetected, and confidential data could be accessible to inappropriate users.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Division of Professional Registration

Missouri Dental Board

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Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Huff, Director
Department of Insurance, Financial Institutions, and Professional Registration
and
Kathleen Steele Danner, Director
Division of Professional Registration
and
Missouri Dental Board
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, Missouri Dental Board, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2015 and 2014. The objectives of our audit were to:

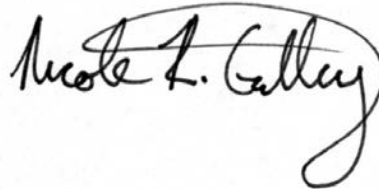
1. Evaluate the board's internal controls over significant management and financial functions.
2. Evaluate the board's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no noncompliance with legal provisions, and (3) a deficiency in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Professional Registration, Missouri Dental Board.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping 'y' at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Division of Professional Registration

Missouri Dental Board

Management Advisory Report - State Auditor's Findings

1. Corrective Action

The Missouri Dental Board (Board) needs to improve procedures to ensure corrective action is taken when deficiencies in licensing and permit requirements are identified during the complaint investigation process.

The Board can receive complaints from the public on any of its licensees for various reasons, including service dissatisfaction, false advertisement, improper licensing, failure to perform professional duties, and malpractice. All complaints are reviewed and investigated as needed and brought before the Board. The Board determines whether to further investigate the complaint, request the licensee to appear before the Board, close the complaint, and/or refer the complaint to the Administrative Hearing Commission (AHC) for disciplinary action. The Board opened approximately 560 complaints and closed approximately 680 complaints during the 2 years ended June 30, 2015.

For 1 of 15 complaints reviewed, the complaint investigation found, at the same dental office, 7 dentists did not have the required basic life support certification for licensure and 3 dental assistants were performing expanded functions without the required permit. The dental office verbally informed the Board the issues would be resolved. The Board sent a letter to the dental office at the close of the complaint expressing concern over the failure to maintain proper basic life support certifications; however, corrective action was not requested and the permit issues identified were not addressed. The complaint was closed in February 2014 with no further action. As of July 2015, the Board could not provide evidence any of the seven dentists became compliant with the basic life support certification requirement, or whether one dental assistant had obtained the proper permit. According to the Executive Director, the Board is limited by law in what actions can be taken on complaints beyond closing the complaint or referring the complaint to the AHC for disciplinary action. For this complaint, the Executive Director indicated the Board exercised its discretion to close the complaint without requiring further action. The Board does not have a policy to address corrective action and follow up on such licensing and permit deficiencies.

In accordance with 20 CSR 2110-1, the Board has the responsibility to ensure the licensing and permit requirements outlined in 20 CSR 2110-2 are met. Further, Section 332.031.1, RSMo, indicates the Board has the authority to administer and enforce the provisions of this chapter, which includes adopting, publishing, and enforcing rules and regulations that regulate and define the acts and areas of dental practice. Without ensuring corrective action is taken, the Board cannot ensure it has met its responsibility to protect the public.



Recommendation

The Missouri Dental Board improve procedures to ensure corrective action is taken when deficiencies in licensing and permit requirements are identified.

Auditee's Response

The Missouri Dental Board will continue to monitor and improve procedures as necessary to meet its responsibility to protect the public.

2. User Account Management

The Board has not established adequate procedures to review user access to ensure access rights to the internal licensing system remain appropriate and are commensurate with job responsibilities.

The licensing system is a division-wide system used by the various professional boards. The licensing system maintains confidential information on licensees, such as social security numbers, personal information, and licensee complaints. User access to the licensing system is broadly divided into read-only access and data entry access dependent upon job duties and responsibilities. Data entry access allows changes to be made to the licensing system for a particular board and access can be further limited to a specific board or board function within the system.

The licensing system is administered by the Office of Administration, Information Technology Services Division (OA-ITSD). The Executive Director completes a form and sends it to the OA-ITSD to update system access when access needs to be granted or changed, or an employee terminates employment. Board personnel do not periodically review system access rights to ensure only proper personnel have access, access is limited to the employee's job responsibilities, and access changes occurred when requested. Our review of access rights to the Board's licensing system found the following:

- An employee terminated in March 2009 but still had data entry access.
- Eleven temporary accounts used by the Division of Professional Registration (division) were still active and included data entry access. According to personnel, these accounts had not been used for at least 2 years.
- Access rights for 2 division employees exceeded the level their job responsibilities required. These employees had data entry access when read-only access would have been appropriate for their research responsibilities.

Board personnel took action to resolve each of these issues after we inquired about them. The terminated employee and 11 temporary accounts have been removed and the 2 employees with excess access had their user access reduced to read-only.



Division of Professional Registration
Missouri Dental Board
Management Advisory Report - State Auditor's Findings

A periodic review of system access rights ensures appropriate personnel have the correct level of access. Without a periodic review of user access rights, there is an increased risk that unauthorized changes to these rights would go undetected, access rights would not be aligned with current job duties, and confidential data would be accessible to inappropriate users.

Recommendation

The Missouri Dental Board work with the division and OA-ITSD to develop procedures to periodically review licensing system user access and ensure rights are limited to only necessary current personnel and appropriate usage levels.

Auditee's Response

The Missouri Dental Board will review processes regarding access rights to electronic systems to maintain security.

Division of Professional Registration

Missouri Dental Board

Organization and Statistical Information

The Missouri Dental Board (Board) was established in 1897 by an act of the 39th Missouri General Assembly. The Omnibus State Reorganization Act of 1974 transferred the Board to the Division of Professional Registration. By Executive Order 06-04, the division moved from the Department of Economic Development to the reorganized Department of Insurance, Financial Institutions, and Professional Registration on August 28, 2006.

The Board is responsible for the examination, licensing, and regulation of dentists, dental hygienists, and dental specialists, as well as various dental permits and site certificates; investigating complaints; and disciplining licensees. At June 30, 2015, there were 14,036 licensed dentists, dental hygienists, dental specialists, and other individuals or practices with related licenses, permits, and site certificates. New issuance license fees for dentists, dental hygienists, and dental specialists were \$230, \$155, and \$330, respectively, while biennial renewal fees were \$180, \$60, and \$180, respectively.

The Board consists of seven voting members, including five registered and currently licensed dentists, one registered and currently licensed dental hygienist, and one voting public member. Board members are appointed by the Governor with the advice and consent of the Senate and serve a term of 5 years. Members whose terms expire may continue to serve until a replacement is appointed. The Board members at June 30, 2015, were:

Member	Term Expires
Kevin D. Wallace, D.M.D., President	October 16, 2010
Deborah K. Polc, R.D.H., Vice President	January 10, 2014
Bryan Chapman, D.M.D., Secretary	October 16, 2018
Eric J. Aubert, D.M.D., Member	October 16, 2011
Randall Relford, Public Member	October 16, 2012
Vacant	
Vacant	

Board members receive compensation of \$50 per day while performing their duties and reimbursement for expenses. The Board appoints an executive director to perform the administrative duties of the Board. Brian Barnett serves as Executive Director. Eight other employees perform administrative duties and responsibilities.

The Advisory Commission for Dental Hygienists makes recommendations to the Board regarding the practice, licensure, examination and discipline of dental hygienists, and consists of five voting members. The Board retains final authority.

Appendix A

Division of Professional Registration

Missouri Dental Board

Dental Board Fund

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2015	2014
RECEIPTS		
Professional license or permit fees	\$ 1,040,505	145,465
Penalties	22,300	2,900
Other fees	7,422	7,240
Occupational board exam	1,950	2,450
Overpayments	3,013	880
Total Receipts	<u>1,075,190</u>	<u>158,935</u>
DISBURSEMENTS		
Personal services	279,836	276,243
Employee fringe benefits	138,002	133,075
Expense and equipment	97,567	99,145
Licensure replacement system expense and equipment	5,336	19,500
State Central Services cost allocation	10,678	1,172
Total Disbursements	<u>531,419</u>	<u>529,135</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>543,771</u>	<u>(370,200)</u>
TRANSFERS		
To Professional Registration Fees Fund (1)	39,004	22,179
To General Revenue Fund (2)	133	9,764
Total Transfers	<u>39,137</u>	<u>31,943</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	504,634	(402,143)
CASH AND INVESTMENTS, JULY 1	<u>2,225,754</u>	<u>2,627,897</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 2,730,388</u>	<u>2,225,754</u>

(1) For reimbursement of personal services, employee benefits, and operating expenses paid from the Professional Registration Fees Fund.

(2) For reimbursement of services provided by the Administrative Hearing Commission paid from the General Revenue Fund.

Appendix B

Division of Professional Registration

Missouri Dental Board

Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2015			2014		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
DENTAL BOARD FUND						
Personal Service	\$ 384,832	279,836	104,996	380,953	276,243	104,710
Expense and Equipment	237,475	97,567	139,908	237,475	99,145	138,330
For a Professional Registration licensure system replacement from Professional Registration board funds	19,500	5,336	14,164	19,500	19,500	0
Total Dental Board Fund	\$ 641,807	382,739	259,068	637,928	394,888	243,040

Appendix C

Division of Professional Registration
 Missouri Dental Board
 Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2015	2014	2013	2012	2011
Salaries and wages	\$ 279,836	276,243	245,093	231,469	248,100
Travel, in-state	8,725	8,425	10,876	10,963	7,686
Travel, out-of-state	2,996	2,926	3,397	1,149	0
Supplies	17,994	9,873	14,180	6,857	11,716
Professional development	4,285	3,078		3,755	418
Communication services and supplies	2,685	2,516	2,378	3,061	2,870
Services:					
Professional	60,703	83,102	89,703	71,148	108,546
Maintenance and repair	527	772	562	1,647	1,454
Office equipment	228	3,973	3,675	120	0
Property and improvements	0	185	3,363	0	0
Building lease payments	2,186	1,704	2,125	2,336	2,419
Equipment rental and leases	521	0	120	20	20
Miscellaneous expenses	2,053	2,091	2,488	2,494	1,957
Total Expenditures	\$ <u>382,739</u>	<u>394,888</u>	<u>377,960</u>	<u>335,019</u>	<u>385,186</u>