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CITIZENS SUMMARY

Findings in the audit of Pemiscot Memorial Health Systems

Financial Condition	The Pemiscot Memorial Health Systems (hospital) is in poor financial condition. The hospital has continued to operate at a deficit level since at least the year ended December 31, 2013, with operating expenses exceeding operating revenues each year.
Accounting Controls and Procedures	Several weaknesses exist with the hospital's accounting controls and procedures, including a lack of petty cash tracking and inadequate tracking of fundraiser monies. The hospital does not maintain a ledger for the petty cash fund. The hospital is not properly tracking and recording restricted monies generated from in-house fundraisers.
Sunshine Law	The Board generally meets once per month and did not always comply with the Sunshine Law. Some topics discussed and voted on in closed Board meetings were not allowable under the Sunshine Law. Minutes for closed session meetings did not always include sufficient details of the topics discussed.
Electronic Data Security	Controls over hospital computers are not sufficient. Network passwords and some computer systems passwords are not required to be periodically changed by employees. The hospital does not periodically test backup data. The hospital has not fully established controls for maintaining user accounts for accessing system resources. As of June 2017, 10 former hospital employees still had access to computer systems and information. One employee had access to computer systems 480 days after termination.

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.