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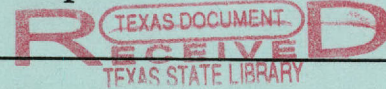
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TEXAS DEPARTMENT OF HEALTH
INTERNAL AUDIT REPORT 99006

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Subject: Controls Over Cellular Phones and Laptop Computers



Findings: The Department is buying cellular phones without proper approvals **FEB 05 2001**

- Our sample of 13 cellular phone purchases in 6 different programs disclosed that the appropriate Associate Commissioner did not approve, as required, any of the acquisitions.
- One bureau chief approved the purchase of 5 cellular phones due to a need created by the 76th Texas legislative session and office renovations. The program renewed the contract for air time for the following year even though the session and renovations would be completed before the year began.
- The controls over the laptop computers located in four central office programs and two Public Health Regions are operating as intended.

Recommendations: The Department should:

- Ensure that Associate Commissioners are approving cellular phone purchases as required by Executive Order XO-0602.
- Strengthen Executive Order XO-0602 by requiring continuing justification of cellular phone service if the initial justification is based on one-time or short term events.

Response:

The Executive Deputy Commissioner advised us that the cellular phone policy would be revised and communicated to the staff.

Responsible Area:

Deputy Commissioner for Administration

Scope:

The scope of this review was to examine the internal control systems governing the purchase of cellular phone service and the security of laptop computers to determine if the systems were functioning as intended.

We examined State statutes, agency policies and interviewed Department employees. We also reviewed purchases of 13 cellular phones and inventory records of over 380 laptop computers valued at approximately \$931,000 for compliance with policies and procedures.

Date: September 1, 1999

