

August 31, 2020

MEMORANDUM

TO: Allanias Hampton
Manager, Information Services

FROM: Sherri Magnus *Sherri Magnus*
Vice President & Chief Audit Officer

SUBJECT: PRS Purchased IT Devices
Audit Control Number 20-117

Internal Audit completed a review of institutional computing devices ("ICDs") purchased with Physicians Referral Service (PRS) funds. The objective was to determine whether the purchases were performed according to Institutional Policy #ADM0334 for the period September 2019 through March 2020. The policy states a "user may not acquire ICDs through any means other than Computing Equipment Management Systems (CEMS)".

Departments are not consistently complying with this policy. When this process is not followed, Information Services (IS) cannot ensure that available inventory is used, institutional purchasing power is maximized, appropriate encryption is installed, and the asset is entered into the inventory tracking system.

Specifically, we observed the following:

- Approximately 140 ICDs had been acquired outside the CEMS process, including 94 iPads. According to IS management, iPads are no longer purchased through CEMS.
- Both PRS Management and IS Management approved purchases outside of the CEMS process.

While IS Management identified some purchases outside of the CEMS process, there was no evidence of formal monitoring or escalation for noncompliance as required by policy.

Recommendation**RANKING: MEDIUM**

IS Management should coordinate with PRS Management to implement additional controls to ensure compliance with the policy and to ensure current practices are in alignment. IS should enforce the policy by holding individuals accountable when ICD purchases are made outside of the CEMS process. If a request to purchase an ICD outside of the CEMS process, a written justification and approval should be documented prior to the purchase.

Management's Action Plan:

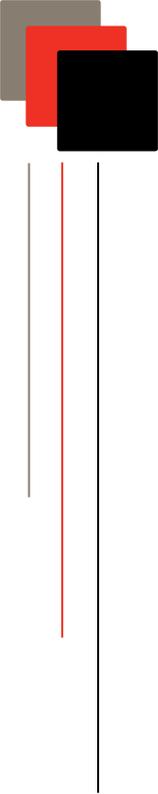
Responsible Executive: Craig Owen

Owner: Allanias Hampton

Due Date: 02/28/2021

Action Plan:

IS Management concurs with the observation that ICDs were purchased outside of the CEMS system. ICDs that were purchased through PeopleSoft were reviewed and approved by IS to confirm the request met the device quota, and to ensure the ICDs are encrypted, tracked and secured throughout their life cycle. IS will coordinate with PRS management to reevaluate the



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current policy and make the necessary changes/edits to align with current practices. IS will ensure that noncompliance with the policy will evoke the disciplinary actions outlined in the policy. IS management will also notify those departments that continue to bypass the process outlined in the policy so further education or disciplinary actions may be considered. In addition, IS management will develop and implement standard operating procedures to include written justification and approval for exemptions for ICD purchases outside of the CEMS process.

Refer to **Appendix A** for Objective, Scope and Methodology.

The courtesy and cooperation extended by the personnel in the Information Services and Physicians Referral Service departments are sincerely appreciated.

cc: Ben Melson, Senior Vice President and Chief Financial Officer
Craig Owen, VP and Chief Information Officer
Chuck Sutor, AVP, Technology
Karen Kennedy, Executive Director, PRS
Peter Lee, Director, IT Services
Susan Ford, Director PRS

Appendix A

Objective, Scope and Methodology

Internal Audit conducted a review of institutional computing devices (“ICDs”) purchased with PRS funds. The objective was to determine whether the purchases were performed according to Institutional Policy #ADM0334 for the period September 2019 through March 2020.

Our methodology included, but was not limited to, the following procedures:

- Review of relevant institutional policies and PRS guidelines
- Analysis of Peoplesoft data
- Review of CEMS and encryption reports
- Interviews with IT, PRS and various department personnel

This audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Number of Priority Findings to be monitored by UT System: None

A Priority Finding is defined as “*an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.*”