

# Secretary of State Audit Report



## Oregon Health Licensing Agency: An Opportunity Exists to Better Manage Wireless Communication Resources

Report Number 2009-20

Date: September 4, 2009

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### Executive Summary

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At the request of the Oregon Health Licensing Agency’s (agency) management, we conducted an audit of the agency’s expenditures. The objective of our audit was to determine whether selected expenditures incurred during calendar years 2007 and 2008 were reasonable and an appropriate use of agency funds.

Based upon the audit procedures performed, we concluded that agency expenditures were adequately supported, appropriately reviewed, and were for valid business purposes. However, we found that an opportunity exists for the agency to better manage its wireless communication resources.

#### Agency’s Response

The Oregon Health Licensing Agency agrees with the audit conclusions included in the report.

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### Introduction

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The Oregon Health Licensing Agency (agency) is a consumer protection agency that provides centralized regulatory oversight for certain health-related professions. As a state consumer protection agency it plays a leading role in safeguarding Oregon citizens who purchase services from professionals and businesses licensed by the agency.

The agency’s mission is to protect Oregon citizens from harm by setting, communicating and enforcing uniform regulatory standards for multiple health and related professions while promoting a positive business environment that puts Oregonians to work. In fulfilling its mission, the agency regulates over 70,000 licensees. It also monitors nearly 5,000 businesses statewide and 7,000 independent contractors to ensure compliance with licensing and safety and health regulations.

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### Audit Results

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Based upon the audit procedures performed on expenditure data for calendar years 2007 and 2008, we concluded that agency expenditures were adequately supported, appropriately reviewed, and were for valid business purposes. We did, however, identify an opportunity for potential cost savings in the area of wireless communication.

#### Opportunity Exists to Better Manage Wireless Communication Resources

During our review, we found that the agency was incurring expenses for usage of wireless communication devices that may not be necessary for productive business operations.

The agency has 32 authorized positions and provides hardware internet access and telephones to all of its employees and managers in order to facilitate daily business needs in the agency. To facilitate business while away from the office, the agency uses various mobile communication devices, which include AirCards, Blackberries and cell phones.<sup>1</sup> These devices are assigned to various managers and employees; some personnel may be assigned more than one of these devices.

As of December 2008, the agency paid monthly service fees for 13 AirCards, six Blackberries, and nine cell phones. We reviewed six invoices during calendar year 2008 for AirCards and Blackberries. Our analysis showed that an average of four AirCards reported no usage for the months reviewed and three AirCards had minimal usage. In addition, monthly usage was minimal for all but a few of the Blackberries. The annual cost for the AirCards and Blackberries is approximately \$7,700 and \$5,000, respectively.

We reviewed the December 2008 invoice for cell phone usage and found that two phones had no usage, three

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<sup>1</sup> An AirCard is a device for a laptop, PDA, or cell phone that provides wireless internet access.

phones had 16 minutes or less and four phones had between 27 and 106 minutes. The agency's annual cost for cell phone usage is approximately \$3,450.

If the agency were to eliminate six AirCards, three Blackberries and five cell phones, the agency would realize a potential savings of \$8,100 annually.

**We recommend** agency management re-evaluate its wireless communication needs to ensure agency resources are expended on services that are necessary for productive business operations.

### **Agency's Response:**

OHLA agrees with your analysis and is currently re-examining its wireless communication needs. Presently the agency has four investigators, and four inspectors. They travel throughout the state investigating consumer complaints and conducting facility/practitioner inspections. Due to the nature of their job, these individuals need cell phones and wireless internet access.

As a means of reducing agency expenditures and facilitating agency needs, OHLA is eliminating the 13 Aircards and nine cell phones. The agency is, however, ordering two additional Blackberries. All eight of these communication devices will be distributed amongst the inspectors and investigators. The reason that this is being done is due to their overall out-of-the-office functionality. The devices serve as a phone, minicomputer allowing inspectors/investigators to receive and send work-related emails, and to take evidentiary pictures. It can also be tethered to a laptop to serve as an Aircard so that inspectors/investigators will retain their ability to access the agency database (Elite) while on the road. This change will not only reduce agency expenditures but it will also reduce time and energy spent keeping an inventory of wireless communication devices.

personnel, and reviewed supporting expenditure documentation. We excluded the following expenditures from the population as either the agency had already performed some review or, in our opinion, posed less risk to the agency: financial reporting transactions; payroll and travel reimbursements; and payments to other State agencies.

We reviewed a judgmental sample of 46 expenditure transactions incurred between January 1, 2007 and December 31, 2008. Our sample included a variety of payments to vendors for services and supplies. The results of our test procedures were not projected to the population.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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## **Objectives, Scope and Methodology**

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At the request of the Oregon Health Licensing Agency's management, we conducted an audit of the agency's expenditures. The objective of our audit was to determine whether selected expenditures incurred during calendar years 2007 and 2008 were reasonable and an appropriate use of agency funds. Our audit included determining whether selected expenditures were adequately supported, appropriately reviewed, and for valid business purposes.

We obtained expenditure data from the state's accounting system for calendar years 2007 and 2008. We determined the data used in our analysis was sufficiently reliable for our audit purposes.

To accomplish our audit objective, we performed high-level analytical procedures, made inquiries of department



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Courtesies and cooperation extended by officials and staff of the Oregon Health Licensing Agency were commendable and much appreciated.

This report, a public record, is intended to promote the best possible management of public resources. Copies may be obtained:

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