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An Audit Report on

The Department of State Health Services' Issuance of Birth Certificates

November 2009

Report No. 10-011



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Overall Conclusion

The Department of State Health Services' (Department) processes generally ensured that all birth certificates issued through its Vital Statistics Unit complied with applicable laws and regulations. However, the Department did not monitor the 421 local registrars in Texas, which also issue birth certificates, to ensure that the registrars issued birth certificates only to legally authorized individuals and appropriately remitted birth certificate-related funds to the State.

Auditors visited four local registrars: Harris County, Dallas County, City of Grapevine, and City of Baytown. A total of 116 (95 percent) of 122 birth certificate files that auditors tested at the four local registrars visited were issued to legally authorized individuals. However, one registrar disposed of all birth certificate-related documentation within one year of receipt. As a result, auditors could not verify whether all birth certificates issued before July 2008 were issued only to legally authorized individuals.

Auditors identified weaknesses in the following areas:

- Inadequate or incomplete record keeping related to the issuance of birth certificates.
- Lack of written policies and procedures for the issuance of birth certificates.
- Inadequate retention of supporting documentation.

Background Information

The Department of State Health Services (Department) issues birth certificates through its Vital Statistics Unit. During the scope of this audit, a person could request a birth certificate copy using one of the following methods:

- Via the Internet through TexasOnline.
- Walk-in at the Vital Statistics Unit's office in Austin.
- Via U.S. mail to the Office of the Comptroller of Public Accounts.
- Via U.S. mail or overnight mail to the Vital Statistics Units.
- Faxed to a third-party company, GenCard.
- Walk-in at a local registrar's office.

From September 1, 2007, through February 28, 2009, the Vital Statistics Unit issued 397,020 birth certificates resulting in \$7,977,452 in revenue.

In justice of the peace precincts, a local registrar is a justice of the peace or a county clerk. In municipalities with a population of 2,500 or more, a local registrar is the municipal clerk or secretary. There are 421 local registrars in Texas. As of February 2009, 185 contracted with the Vital Statistics Unit to use the Department's remote system for issuing birth certificates. In calendar year 2008, 182 local registrars were billed a total of \$886,087 for this service.

Under Texas Government Code, Chapter 552, a birth record is public information and available to the public on and after the 75th anniversary of the date of birth, as shown on the record filed with the bureau of vital statistics or local registration official. See Appendix 2 for a state-by-state comparison of birth certificate regulations.

This audit was conducted in accordance with Texas Government Code, Section 321.0132.

For more information regarding this report, please contact Nicole Guerrero, Audit Manager, or John Keel, State Auditor, at (512) 936-9500.

While the Department asked local registrars to complete a self-assessment related to their birth certificate procedures in fiscal year 2008, it did not follow up with the local registrars based on the results or require the registrars to complete the self-assessment. Only 147 registrars completed the self-assessment (see Appendix 6 for a list of the 147 registrars). The Department did not do any additional monitoring to ensure that compliance issues, such as those listed above, were identified and corrected in a timely manner.

The Department has a process to invoice local registrars \$1.83 for each birth certificate issued through the Department's remote system. A local registrar may issue a birth certificate copy using its own database if the person listed on the birth certificate was born in the local jurisdiction, or it can contract with the Department to use the Department's remote system to issue a birth certificate for anyone born outside of that area. All remote system invoices tested at the four local registrars auditors visited were paid. As of February 2009, 185 of the 421 local registrars in Texas had a contract with the Vital Statistics Unit to use the remote system (see Appendix 5 for a list of the 185 registrars).

In addition, three of the four registrars visited lacked adequate documentation showing they had remitted \$1.80 to the Office of the Comptroller of Public Accounts for each birth certificate issued, as required by Texas Health and Safety Code, Section 191.022. Specifically, two registrars did not have a list of all birth certificates issued from their information system during a specified period of time that could be reconciled with the funds remitted to the Office of the Comptroller of Public Accounts. The third registrar had a list, but it was not complete. In addition, the Department lacks a process to verify whether the State received all funds due for the birth certificates issued using a local database.

For the birth certificates the Department's Vital Statistics Unit issued from September 2007 through February 2009, the Department generally ensured that it issued birth certificates only to qualified applicants, as defined under Title 25 of the Texas Administrative Code. In addition, the Department adequately safeguarded the funds it collected from birth certificates it issued. From September 1, 2007, through February 28, 2009, the Department received \$7,977,452 for processing and issuing 397,020 birth certificates (see Appendix 3 for more information).

The Department's Vital Statistics Unit did not consistently follow the policies and procedures in its *Internal Security Manual*. For example, it did not ensure that all voided transactions had an accompanying destruction memo signed by a witness, or that all employees signed a confidentiality agreement on or before their first date of employment at the Vital Statistics Unit.

Summary of Management's Response

The Department agrees with the findings and recommendations in this report. The Department's management responses to the specific recommendations in this report are presented immediately following each set of recommendations in the Detailed Results section of this report.

Summary of Information Technology Review

The Department has adequate application controls over the Texas Electronic Registrar (TER) system, which the Department and birthing hospitals, as well as many birthing centers and midwives, use to register birth and death events in Texas. The Department has implemented edit checks to ensure that information entered into TER is accurate and protected. However, the Department should improve its user access controls to ensure the security of system data. (See Chapter 5 for more information). To minimize the risks associated with public disclosure, auditors communicated details regarding these issues in writing directly to the Department.

Summary of Objective, Scope, and Methodology

The objective of this audit was to determine whether the Department's Vital Statistics Unit has controls to ensure that birth certificates are issued for legally authorized purposes.

The scope of this audit included the Department's processes and procedures related to the issuance of birth certificates, oversight of local registrars for compliance with the Department's policies and procedures. The audit period covered the birth certificates issued by the Department and four local registrars (Harris County, Dallas County, City of Grapevine, and City of Baytown) during fiscal year 2008 and first six months of fiscal year 2009. Auditor's reviewed the monthly inventory process for the birth certificate paper maintained onsite at the Department and conducted a real-time physical inventory of the certificate paper onsite at the Department on July 31, 2009.

The audit methodology included collecting information and documentation; conducting interviews with Department staff; analyzing and evaluating the results of testing; observing processes; and reviewing policies and procedures, statutes, and administrative code. Auditors also visited four local registrars to determine whether local registrars were issuing birth certificates to authorized people and remitting the appropriate amount of fees to the Department and the Office of the Comptroller of Public Accounts.

Auditors communicated other, less significant issues to the Department's management separately in writing.

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Detailed Results

Chapter 1

The Department Did Not Monitor Local Registrars to Ensure That They Issued Birth Certificates in Compliance with Applicable Laws and Regulations or Appropriately Remitted All Birth Certificate Funds to the State

The Department of State Health Services' (Department) processes generally ensured that all birth certificates issued through its Vital Statistics Unit

complied with applicable laws and regulations (see text box). However, the Department did not monitor the 421 local registrars in Texas, which also issue birth certificates, to ensure that the registrars issued birth certificates only to legally authorized individuals and appropriately remitted birth certificate-related funds to the State. While all four local registrar offices that auditors visited had processes for issuing birth certificates, auditors identified weaknesses in the areas of record-keeping, birth certificate policies and procedures, and retention of supporting documentation.

The Department did not monitor local registrars' offices to ensure that they issued birth certificates in compliance with applicable laws and regulations.

The Department reported that it provides training sessions to local registrars and answers registrars' technical questions; however, the Department did not monitor local registrars' offices to ensure that birth certificates were issued in accordance with all laws and regulations and that registrars' offices appropriately remitted birth certificate-related funds to the State.

The Department lacked formal policies and procedures for monitoring local registrars and, as of July 2009, the Department reported that it had not conducted any monitoring visits to local registrars since fiscal year 2006. During fiscal

year 2008, the Department asked local registrars to complete a self-assessment related to the registrars' fiscal year 2007 birth certificate-related practices. The local registrars were not required to complete the self-assessments, and only 147 of the 421 local registrars responded. In addition, the Department could not provide auditors evidence that it analyzed the information in the completed self-assessments to determine whether the registrars were issuing birth certificates in compliance with state laws and regulations, their contracts with the Department, and Department policies. The Department did not send

Requirements for Receiving a Certified Copy of a Birth Certificate in Texas

A properly qualified applicant is defined in Title 25, Texas Administrative Code, Chapter 181, as:

- The registrant.
- Immediate family member of registrant either by blood, marriage, or adoption; the registrant's guardian; or the registrant's legal agent or representative.
- Local, state, and federal law enforcement or governmental agencies and other persons who are designated as properly qualified applicants by demonstrating a direct and tangible interest in the record because the information in the record is necessary to implement a statutory provision or to protect a personal legal property right.
- A person who has submitted an application for a request to release personal information and has been approved as outlined in Title 25, Texas Administrative Code, Section 181.11.

Each applicant must present a current form of government-issued photo identification along with his or her application. If the applicant is unable to present a current form of photo identification, two valid supporting forms of identification may be presented, one of which bears the applicant's signature.

Source: Title 25, Texas Administrative Code, Chapter 181.

out self-assessments in fiscal year 2009. Requiring the registrars to complete the self-assessments and analyzing the registrars' responses could help the Department assess local registrar compliance.

Auditors identified weaknesses in birth certificate-related processes at four local registrar offices visited.

Auditors visited four local registrars: Harris County, Dallas County, City of Grapevine, and City of Baytown. A total of 116 (95 percent) of 122 birth certificate files tested at the registrars visited were issued to legally authorized individuals. However, auditors identified some weaknesses in the four local registrars' processes for issuing birth certificates. Specifically:

- None of the four local registrars visited had knowledge of the requirement in Title 25, Texas Administrative Code, Section 181.26, that they maintain a record of blank birth certificate forms issued to each individual and submit monthly reports on these records to the state registrar. All four local registrars kept logs, but none sent monthly reports to the state registrar as required.
- One registrar disposed of all birth certificate-related documentation within one year of receipt. As a result, auditors could not verify whether all birth certificates issued before July 2008 were issued only to legally authorized individuals. This registrar's policy is to destroy all birth certificate-related documentation within one year of receipt. This policy does not comply with the records retention schedule in Title 25, Texas Administrative Code, Section 181.28, which requires that all birth certificate documentation be maintained for at least three years.
- Two of the four registrars do not have documented policies and procedures for their birth certificate issuance processes.
- One file tested listed the applicant's relationship with the registrant as "father," but the father's name listed on the birth certificate did not match the applicant's name.
- One local registrar could not provide two applications selected for testing. These applications had been submitted to the local registrar via U.S. mail, and staff told auditors that they destroy all applications received via U.S. mail after the birth certificate copies are issued. This practice does not comply with the records retention schedule in Title 25, Texas Administrative Code, Section 181.28, which requires that all birth certificate documentation be maintained for at least three years.
- One local registrar issued a birth certificate without requiring the applicant to provide any identification.

If the Vital Statistics Unit had monitored the local registrars, it may have identified similar issues at these and other local registrar offices.

The Department did not verify that local registrars appropriately remitted all birth certificate funds to the State.

Every local registrar is required by Texas Health and Safety Code, Section 191.022, to remit \$1.80 to the Office of the Comptroller of Public Accounts for each birth certificate issued. Local registrars may retrieve information from their local database, if the person was born in their jurisdiction.

However, for anyone born outside of that area, a local registrar may contract with the Department for remote access to the Department's Remote Access Birth System. For every birth certificate retrieved from this system, the local registrar must remit \$1.83 for every copy printed. The Department provides a monthly invoice to local registrars and, as discussed above, charges \$1.83 for all birth certificates issued through the Department's remote system. All remote system invoices tested at the four local registrars auditors visited were completed and paid. As of February 2009, 185 of the 421 local registrars in Texas had a contract with the Vital Statistics Unit to use the remote system. (See Appendix 4 for the more information about the birth certificate-related funds.)

Three of four local registrars visited lacked adequate documentation showing that they had remitted \$1.80 to the Office of the Comptroller of Public Accounts for each birth certificate issued. Specifically, two registrars did not have a list of all birth certificates issued by their information system during a specified period of time that could be reconciled with the funds remitted to the Office of the Comptroller of Public Accounts. The third registrar had a list, but it was not complete. As a result, the Department lacks a process to verify whether the State received all funds due for the birth certificates issued using a local database.

The lack of a complete and accurate list of all birth certificates issued limits the Department's and local registrars' ability to verify that birth certificate-related funds were appropriately remitted to the State.

Recommendations

The Department should develop a risk-based approach to monitoring local registrars to ensure that local registrars (1) issue birth certificates in accordance with applicable laws and regulations; (2) comply with all reporting requirements; (3) retain birth certificate-related records for at least three years in compliance with the State's record retention schedule; and (4) remit funds to the State as required by Texas Health and Safety Code, Section 191.022.

A risk-based approach to monitoring may include:

- Developing a risk assessment tool to identify those local registrars that should be monitored more closely.
- Performing desk reviews of local registrar-submitted reports and documentation.
- Conducting on-site visits at any local registrars that the Department identifies as requiring more supervision.
- Developing procedures for following up on any issues identified during the Department's monitoring activities.
- Implementing additional monitoring activities as needed.

Management's Response

DSHS agrees that introducing a risk-based approach form of monitoring would benefit both the state and the local registrars. Such an approach would ensure local jurisdictions most at-risk would receive a higher level of attention and corrective feedback. The Department has begun developing a 5-year technical assistance, training, and evaluation plan which will address recommendations in this finding. Additionally, VSU together with the DSHS Office of General Counsel will spearhead a review to institute changes to the Texas Administrative Code for vital statistics, if needed.

Target Implementation Date: November 5, 2009

Responsible Party: State Registrar and Director of the Vital Statistics Unit

The Department Generally Ensured That It Issued Birth Certificates Only to Qualified Applicants

The Department generally ensured that the Vital Statistics Unit issued certified copies of birth certificates only to qualified applicants, as defined under Title 25, Texas Administrative Code, Chapter 181.

For 54 (90 percent) of 60 approved certificate requests tested, the individual receiving a copy of a birth certificate was a qualified applicant. Auditors tested 15 applications from 4 types of methods through which an individual can apply for a birth certificate: fax (GenCard), U.S. mail sent to the Vital Statistics Unit, U.S. mail sent to the Office of the Comptroller of Public Accounts, and walk-in or overnight mail sent to the Vital Statistics Unit. Testing results were as follows:

- All 15 approved certificate requests tested that were submitted via the Department's third-party contractor, GenCard, were issued to qualified applicants. GenCard provides the Vital Statistics Unit with birth certificate applications that are received via fax.
- Fourteen of 15 approved certificate requests tested that were submitted via U.S. mail were issued to qualified applicants. The Vital Statistics Unit was not able to provide auditors with one application.
- Ten of 15 approved certificate requests tested that were submitted by U.S. mail to the Office of the Comptroller of Public Accounts were issued to qualified applicants. The Vital Statistics Unit was not able to provide auditors with five applications.
- All 15 approved certificate requests tested that were submitted via overnight mail or walk-in at the Vital Statistics Unit were issued to qualified applicants. However, two requests lacked completed documentation. One of the applications had the wrong photo identification attached, but the correct identification information was documented in the Department's database. A second application lacked the applicant's signature on the original application as required by Department policy.

Because the Department was not able to locate six of the applications tested above, it is not in compliance with the State's three-year record retention requirement in Title 25, Texas Administrative Code, Section 181.28 (e). Additionally, auditors were unable to determine whether these six birth certificates were issued to legally authorized individuals.

Recommendations

The Department should:

- Ensure that correct identification is attached to all applications and that all applications are signed by the requestor.
- Ensure that all records are kept at least three years in compliance with the State's records retention schedule in Title 25, Texas Administrative Code, Section 181.28.

Management's Response

VSU management will review and revise its procedures for identification, handling original correspondence and records retention as recorded in the "Request Processing Manual:

Section 1 – Basic Issuance, 1.2.2 and 1.3. Staff training will be conducted regarding the retention policies and other relevant request and issuance processes expressly stated in the updated Manual.

Target Implementation Date: January 1, 2010

Responsible Party: Manager of Records Issuance

The Department Adequately Safeguarded Funds It Received for Issuing Birth Certificates

The Department adequately safeguarded the funds it received for birth certificates that the Vital Statistics Unit issued from September 2007 through February 2009. For 44 transactions tested, all funds the Department received were remitted to the Office of the Comptroller of Public Accounts and deposited appropriately into the State Treasury.

These 44 transactions consisted of a sample of birth certificate applications submitted to the Department via overnight mail and regular U.S. mail, a third-party contractor (GenCard), and walk-ins to the Vital Statistics Unit's lobby. Test results were as follows:

- All funds for 14 applications tested that were submitted via regular U.S. mail matched the funds deposited with the Office of the Comptroller of Public Accounts.
- All funds for 15 applications tested that were submitted via overnight mail or walk-in to the Vital Statistics Lobby matched the funds deposited with the Office of the Comptroller of Public Accounts.
- All funds for 15 applications tested that were submitted via the Department's third-party contractor, GenCard, matched the funds deposited with the Office of the Comptroller of Public Accounts. However, 2 of the 15 items tested were not accurately entered into the Department's Remittance System. Specifically:
 - ♦ One application's funds were not entered into the Remittance System.
 - ♦ Another application's funds were incorrectly entered into the Remittance System as \$0.00 instead of as \$52.00.

No Fee Transactions

The Vital Statistics Unit uses the no fee function in the Texas Electronic Registrar (TER) system primarily to correct errors, void requests, document client communications, document additional funding that is received on a request that previously had insufficient funds, and issue certificates for military and school purposes. According to Department procedures, application processors enter notes in TER explaining why a fee was waived. All 15 items tested had an appropriate justification on file for not charging a fee.

Recommendation

The Department should ensure that the amounts entered into its internal Remittance System match the amounts remitted to the Office of the Comptroller of Public Accounts.

Management's Response

A cross-functional approach will be taken. VSU will strengthen procedures and institute new reporting to ensure remittances from its lobby and back-end processing are reconciled against the amounts entered into the internal Remittance System. In addition, to enhance internal controls, the DSHS Cash Receipts Branch has implemented new procedures to reconcile remit system entries against the amounts remitted to the Comptroller's Office. A chartered team has been set in motion to provide additional insights for improvements on billing processes. Additionally, a new vendor, Vital Chek, is now being used for credit card services and this vendor change has significantly enhanced daily reconciliation.

Target Implementation Date: January 1, 2010

Responsible Parties: VSU Request Processing Branch Manager, Cash Receipts Branch Manager, and Director of the Vital Statistics Unit

The Department's Vital Statistics Unit Did Not Comply with Certain Security-related Policies and Procedures

The Department has policies and procedures in place to protect hard copy and electronic information related to birth certificates and their issuance. However, the Department's Vital Statistics Unit did not consistently comply with its *Internal Security Manual's* requirements. While the Department keeps an accurate inventory count of birth certificate paper located in its Vital Statistics Unit office in Austin, Vital Statistics Unit staff did not consistently provide accurate inventory information to management in monthly reports.

Chapter 4-A

The Department's Vital Statistics Unit Did Not Consistently Comply with Its *Internal Security Manual*

The Department's Vital Statistics Unit did not consistently follow its *Internal Security Manual's* requirements regarding the tracking of birth certificate paper, destruction of birth certificate paper, and renewing employee security agreements. Specifically:

- The Vital Statistics Unit did not consistently maintain evidence of the witnessed destruction of voided security paper. Auditors tested 15 voided transactions, 14 of which involved voided paper and one of which was voided before the birth certificate was printed. Six (43 percent) of the 14 voided paper transactions did not have accompanying destruction memos signed by a witness, as required by the *Internal Security Manual*. In addition, the documentation that the Department retained did not identify the document control or remittance numbers of the voided paper.
- Two (13 percent) of 14 voided transactions tested could not be traced to document control log sheets. Also, one (7 percent) of the 14 could not be traced to a void report, which is required for any certificate that is destroyed after printing.
- The Department was unable to provide one of five document log sheets that auditors requested. Auditors selected 35 document control numbers to test for 35 birth certificates from 5 document log sheets (7 per sheet). The test was to determine whether these birth certificates were assigned to an employee, before being printed and issued, and entered into the TER system. Auditors were able to confirm that only 80 percent of the sample selected was assigned to an employee and entered into the TER system. Failure to maintain document control log sheets may expose the Department to the risk of fraud and loss of certificate paper.

Twenty-eight (80 percent) of 35 birth certificates tested accurately matched the control numbers on paper assigned to the employee who issued the birth certificate. Auditors could not test the other seven

certificates because the Department could not provide the log sheet that identified which Department employees were assigned the numbered paper on which the certificates were printed. Birth certificates are not supposed to be issued to the public until the blank sheets have been assigned to a Department employee and released for printing in TER. Therefore, failure to maintain document control log sheets may expose the Department to increased risk of fraud and loss of certificate paper.

- The Department's Vital Statistics Unit did not renew its confidentiality agreements annually as required by its *Internal Security Manual*.
- The Department did not ensure that all employees signed a confidentiality agreement on or before their first day of employment with the Vital Statistics Unit. Specifically, 8 (27 percent) of 30 employees tested did not sign a confidentiality agreement on or before their first date of employment, as required by the *Internal Security Manual*.
- The Department did not ensure that its employees completed computer usage agreements as required by the *Internal Security Manual*. For 15 (65 percent) of 23 files tested, employees did not sign the computer usage agreement on or before their first day of employment at the Vital Statistics Unit. Also, for 8 (29 percent) of 28 files tested, employees did not renew their annual computer usage agreement during the audit period (from September 1, 2007, to February 28, 2009).

Recommendations

The Department should:

- Ensure that its Vital Statistics Unit complies with its *Internal Security Manual*.
- Ensure that its Vital Statistics Unit complies with its documentation procedures for the destruction of birth certificate paper.
- Ensure that its Vital Statistics Unit logs every issuance of security paper in the document log spreadsheet.
- Ensure that all Vital Statistics Unit employees sign all required confidentiality and computer use agreements.

Management's Response

VSU has scheduled staff training to ensure that the internal security manual is being followed, to include the requirements noted in this finding. Additionally, VSU management will update its Internal Security Manual procedures to more fully clarify the required current birth certificate procedures.

Target Implementation Date: February 1, 2010

Responsible Party name and title: VSU Staff Services Officer; State Registrar and Director of the Vital Statistics Unit

Chapter 4-B

The Vital Statistics Unit Did Not Consistently Provide Accurate Inventory Information to Management

Auditors conducted a physical inventory of the banknote security paper and noted that all paper present matched the log books without exception. Vital Statistics Unit employees prepare an inventory report to provide management with this information, as well as the total amount of paper that was issued to employees.

Vital Statistics Unit employees provided inventory reports that showed that seven of nine types of security paper were reported accurately to management. However, auditors reviewed the July 2009 inventory report and identified two significant omissions. Specifically:

- 36,000 sheets of banknote paper held onsite prior to return to the manufacturer were not counted as part of the inventory
- 250 gift certificates were not included. Both of these differences were documented in the inventory log books, but they were not reflected in the July 2009 report to management.

The Department does not have documented policies and procedures for how monthly inventory reports are supposed to be compiled for Department management, nor is there a review before these reports are provided to management. As a result, for the only month for which a physical inventory was conducted by auditors, the physical inventory was reported inaccurately to management.

Recommendation

The Department should ensure that there is a review of the inventory report for accuracy before it is sent to management. The Department should also document this process in policies and procedures.

Management's Response

VSU management will ensure review procedures are in place before the inventory report is distributed.

VSU uses a Vendor Performance Excellence scorecard that holds vendors accountable, thus the 36,000 sheets held inside the room during the auditors' physical inventory were being returned to the vendor for destruction because it did not meet specifications. In essence, VSU refused to accept the paper that did not comply with industry or state standards and was in the midst of returning the paper.

Target Implementation Date: March 1, 2010

Responsible Party: VSU Security Specialist

Chapter 4-C

The Department's Vital Statistics Unit Does Not Follow All Security Paper Requirements

The Department's Vital Statistics Unit uses sufficient and reasonable physical security measures to protect unissued security paper on which it issues certified copies of birth certificates. The Department's Vital Statistics Unit consistently complied with 10 of 13 security paper requirements in the Title 25, Texas Administrative Code, Section 181.28. The Vital Statistics Unit did not:

- Ensure that "Void" was printed on photocopied certificates.
- Use prismatic printing to deter color copying of certificates.
- Use erasable fluorescent printing.

Department management stated these three requirements were not considered a high priority security feature and that the Department has implemented alternative security measures that are not required by the Texas Administrative Code to compensate for possible security deficiencies. Department management also stated that it has incorporated two optional

features listed in Title 25, Texas Administrative Code, Section 181.28 (d): using security laminate and using security thread.

Recommendation

The Department should ensure that its Vital Statistics Unit complies with all security requirements in Title 25, Texas Administrative Code, Chapter 181, or update the security requirements in the Texas Administrative Code to reflect the Department's current security practices.

Management's Response

VSU management will work with the Office of General Counsel to update the security requirements in the Texas Administrative Code to include more technologically advanced security features.

Target Implementation Date: September 1, 2011

Responsible Parties: Director of the Vital Statistics Unit; VSU Request Processing Branch Manager, and Deputy General Counsel

The Department Has Adequate Application Controls Over Its Vital Statistics Unit's Information Systems; However, It Should Strengthen Some Access Controls

The Department has adequate applications controls over the TER system, which the Department and birthing hospitals, as well as many birthing centers and midwives, use to register birth and death events in Texas. The Department has implemented controls to ensure that information entered into TER is accurate and protected. These include:

- Locking access to records that have been submitted and certified.
- Requiring the Department's technical leader in applications development to review and approve all deletion requests.
- Prohibiting a document control number from being used twice.
- Creating and retaining audit trails of all data changes made and who made them.

However, auditors identified weaknesses in some of the Department's access controls. Specifically:

- The Department lacks adequate password controls. The Department's password controls for TER do not comply with the password guidelines and best practices. To minimize the risk of security breaches, auditors communicated details about this issue directly to Department management.
- The Department does not review employee use of TER's no fee function. TER allows users to process a birth certificate request without assigning a fee through the "no fee function" (see text box). However, the Department has not set up a process to monitor the use of this function to ensure that fees are waived only for appropriate reasons. While Department procedures require employees who process birth certificate applications to place a note in TER explaining the reason a fee is waived, TER does not flag these records and the Department does not perform any supervisory reviews of the entries.
- The Department does not adequately monitor user access in TER. The Department does not ensure that it promptly terminates access of former employees or that access is appropriately limited. A lack of adequate access controls increases the risk that someone could make unauthorized and undetected changes to TER data. Specifically, 32 active user accounts were assigned inappropriate access.

No Fee Function

The no fee function is a function in the TER system that allows users to process a birth certificate request without assessing a fee. The Vital Statistics Unit uses this feature primarily to correct errors, void requests, document client communications, document additional funding received on a request that previously had insufficient funds, and issue certificates for military or school purposes.

- The Department has not tested its disaster recovery plan in at least two years. Title 1, Texas Administrative Code, Section 202, requires state agencies to test disaster recovery plans annually. Not performing an annual disaster recovery test can increase the risk that an agency may not be able to serve its clients in the event of a disaster.

Recommendations

The Department should:

- Ensure that its password controls for TER comply with the password guidelines and best practices.
- Establish a process to monitor and periodically review the use of TER's no fee function.
- Regularly review user access to TER, deactivate and update user access as users' job responsibilities change.
- Work with Team for Texas at the Department of Information Resources to set up and conduct an annual test of its disaster recovery plan.

Management's Response

VSU management has deactivated all users who are no longer employees. We will develop an on-going process to monitor users' access as their job responsibilities change.

Additionally, VSU has begun working with:

- a) DSHS IT staff and the TER Vendor, Genesis, to address issues related to password controls.*
- b) DSHS IT staff and DIR to address the disaster recovery plan in collaboration with Team for Texas.*

A process management team has been established to review, revise, and develop policies and procedures for addressing TER security and other security-related issues.

Target Implementation Date(s): February 1, 2010

Responsible Parties: *VSU Request Processing Branch Manager; VSU Information Systems Manager*

Appendices

Appendix 1

Objective, Scope, and Methodology

Objective

The objective of this audit was to determine whether the Vital Statistics Unit at the Department of State Health Services (Department) has controls to ensure that birth certificates are issued for legally authorized purposes.

Scope

The scope of this audit included the Department's processes and procedures related to the issuance of birth certificates, oversight of local registrars for compliance with the Department's policies and procedures. The audit period covered the birth certificates issued by the Department and four local registrars (Harris County, Dallas County, City of Grapevine, and City of Baytown) during fiscal year 2008 and first six months of fiscal year 2009. Auditor's reviewed the monthly inventory process for the birth certificate paper maintained onsite at the Department and conducted a real-time physical inventory of the certificate paper onsite at the Department on July 31, 2009. Auditors also evaluated the automated systems and processes that support the functions reviewed.

Methodology

The audit methodology included collecting information and documentation; conducting interviews with Department staff; analyzing and evaluating the results of testing; observing processes; and reviewing policies, procedures, statutes, and administrative code. Auditors also visited four local registrars to determine whether local registrars were issuing birth certificates to authorized people and remitting the appropriate amount of fees to the Department and the Office of the Comptroller of Public Accounts.

Information collected and reviewed included the following:

- Department policies and procedures related to its Vital Statistics Unit.
- Policies and procedures from the four local registrars that auditors visited.
- Data from the Texas Electronic Registrar System.
- Applications submitted to request a birth certificate copy.
- Self-assessments that the Department sent to local registrars in fiscal year 2008.

- Department document control log sheets, daily cash balance sheets, monthly inventory sheets, destruction certificates for voids, and master log.
- Department confidentiality and computer use agreements.
- Department contracts with the four local registrars that auditors visited.

Procedures and tests conducted included the following:

- Interviewed Department staff.
- Reviewed and tested policies and procedures related to the issuance of birth certificates by the Department's Vital Statistics Unit.
- Reviewed and tested policies and procedures related to the Vital Statistics Unit's *Internal Security Manual*.
- Conducted a physical inventory of security paper.
- Conducted testing to ensure compliance with applicable statutes at four local registrars.
- Conducted testing of funds remitted to the Department and the Office of the Comptroller of Public Accounts at four local registrars.
- Reviewed bank note security inventory reports provided by Department staff to Department management.
- Reviewed master log for security paper issued by Department staff.

Criteria used included the following:

- Texas Health and Safety Code, Chapters 191, 192, and 195.
- Texas Government Code, Chapter 552.
- Title 25, Texas Administrative Code, Chapter 181.
- Title 1, Texas Administrative Code, Chapter 202.
- The Vital Statistics Unit's *Basic Issuance Manual*.
- The Vital Statistics Unit's *Internal Security Manual*.
- The Department's guidelines for passwords.
- *Federal Information System Controls Audit Manual (FISCAM I)*, GAO-09-232G version, U.S. Government Accountability Office, February 2009.

Project Information

Audit fieldwork was conducted from May 2009 through September 2009. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The following members of the State Auditor's staff performed the audit:

- Cesar Saldivar, CGAP, CICA (Project Manager)
- Barbette Mays, CICA (Assistant Project Manager)
- Anthony Patrick
- Christy Srubar
- Parsons Townsend
- Adam Wright
- Stephen Randall (Information Systems Audit Team)
- Serra Tamur, CIA, CISA (Information Systems Audit Team)
- J. Scott Killingsworth, CIA, CGFM, CGAP (Quality Control Reviewer)
- Nicole M. Guerrero, MBA, CIA, CGAP, CICA (Audit Manager)

State-by-state Comparison of Birth Certificate Regulations

Table 1 shows how Texas's birth certificate regulations compare with the regulations of other large states.

Table 1

Birth Certificate Regulations in Texas and Other States As of July 2009					
State	Population ^a	Cost of Birth Certificate Copy	When Do Birth Certificates Become Public Records?	Posted Time to Process a Birth Certificate Application	Who Is Eligible to Obtain a Copy of a Birth Certificate? ^b
California	36,756,666	\$14	Informational copies are always available to the public. Official copies are available only to authorized individuals regardless of the age of the individual. ^c	12 weeks	Individual named on the certificate; individuals authorized by court order; adoption agency; law enforcement agency; government agencies; parents, guardians, children, grandparents, spouses, domestic partners, and siblings of registrant.
Texas	24,326,974	\$22	75th anniversary of the birth of the individual listed on the birth certificate.	10-15 business days	Individual named on the certificate who is 18 years old or older; parents listed on the certificate; immediate family members of the registrant; other individuals who can provide legal documentation authorizing them to obtain a copy. (See textbox in Chapter 1 for details.)
New York	19,490,297	\$30	75th anniversary of the birth of the individual listed on the birth certificate or if the person is known to be deceased.	5-7 business days	Individual named on the certificate and parents of the registrant. In addition, by order of a New York State Court, a spouse, child, or other persons can obtain a copy of a birth certificate.
Florida	18,328,340	\$9	100th anniversary of the birth of the individual listed on the birth certificate.	3-4 business days	Individual named on the certificate who is 18 years old or older; parents, guardians, or legal representatives of the registrant; individuals authorized by court order.
Illinois	12,901,563	\$15	Birth certificates do not become public records.	3-5 business days	Individual named on the certificate who is 18 years old or older; parents and legal guardians of the registrant; or representatives of the registrant who have written legal authorization from the registrant.

^a Population totals are based on the 2008 census.

^b These eligibility requirements apply to the time period before the certificates become public records.

^c Informational copies can be obtained by anyone. An informational copy contains the same information as an authorized copy, but will have a legend across the face with the statement "Informational, Not a Valid Document to Establish Identity."

Source: Unaudited information that auditors compiled from each state's Web site.

Birth Certificates Issued

Table 2 lists the total number of birth certificates that the Department of State Health Services' Vital Statistics Unit issued from September 1, 2007, through February 28, 2009.

Table 2

Birth Certificates Issued by the Vital Statistics Unit September 1, 2007, through February 28, 2009				
Method Used to Request Certificate	Total Certificates Issued	Percentage of Total Certificates Issued	Total Fees Received	Percentage of Total Fees Received
Fax sent to Department's Third-party Contractor, GenCard	28,107	7.08%	\$ 621,495.00	7.79%
TexasOnline	172,412	43.43%	3,803,163.00	47.67%
Mail Sent to the Vital Statistics Unit	14,658	3.69 %	303,750.26	3.81%
Mail Sent to the Office of the Comptroller of Public Accounts	75,081	18.91%	1,609,921.00	20.18%
Walk-in at Vital Statistics Unit and Overnight Mail Sent to the Vital Statistics Unit	76,152	19.18%	1,639,012.75	20.55%
Processed with No Fees	30,610	7.71%	110.00	0.00%
Totals	397,020	100.00%	\$7,977,452.01	100.00%

Source: Unaudited data provided by the Department of State Health Services' Vital Statistics Unit from the Texas Electronic Registrar system.

The 25 Local Registrars With the Most Total Fees Invoiced for Remote Access to the Department's Remote Access Birth System

Table 3 lists the 25 local registrars with the most fees invoiced by the Department of State Health Services (Department) for using the Department's Remote Access Birth System.

Table 3

The 25 Local Registrars With the Most Total Fees Invoiced for Remote Access to the Department's Remote Access Birth System		
Rank by Total Invoiced	Local Registrar	Total Amount Invoiced for Calendar Year 2008
1	Harris County	\$ 93,950.37
2	Austin Health and Human Services	62,170.59
3	Dallas County	60,620.58
4	San Antonio Metro Health	46,192.86
5	Dallas City Health Department	38,860.35
6	Tarrant County	30,579.30
7	Lubbock City-County Health Dept.	24,981.33
8	City of McAllen	23,665.56
9	Northeast Texas Public Health/Smith County	19,839.03
10	City of Laredo	16,124.13
11	City of Brownsville	15,825.84
12	Waco-McLennan County Public Health District	15,681.27
13	Houston Department of Public Health	14,678.43
14	Fort Worth/Tarrant County	14,080.02
15	Montgomery County	12,810.00
16	Denton County	12,158.52
17	Collin County	12,063.36
18	City of Beaumont	11,164.83
19	Corpus Christi-Nueces County	10,767.72
20	Bell County Clerk	10,118.07
21	City of Edinburg	9,946.05
22	Tom Green County Clerk	8,611.08
23	City of Weslaco	8,546.10
24	Brazoria County Clerk	7,186.41
25	City of Temple	6,919.23
Total Amount Invoiced for Top 25 Local Registrars		\$ 587,541.03

Source: Unaudited data provided by the Department's Vital Statistics Unit from the Texas Electronic Registrar system.

All Local Registrars with Remote Access to the Department's Remote Access Birth System

Table 4 lists the 185 local registrars that had contracted with the Department of State Health Services' (Department) Vital Statistics Unit to use the Remote Access Birth System as of February 2009.

Table 4

Local Registrars That Had Contracted with the Vital Statistics Unit to Use the Remote Access Birth System (as of February 2009)
Anderson County
Andrews County
Angelina County
Atascosa County
Austin County
Bailey County
Bandera County
Beaumont City Health Department
Bee County
Bell County
Bosque County
Bowie County
Brazoria County
Brazos County
Brewster County
Briscoe County
Brown County
Burnet County
Caldwell County
Callahan County
Cameron County
Carson County
Cass County
Castro County
Chambers County
Cherokee County
Childress County
City of Abilene Public Health
City of Amarillo
City of Arlington
City of Atlanta

**Local Registrars That Had Contracted with the
Vital Statistics Unit to Use the Remote Access Birth System
(as of February 2009)**

City of Austin Health and Human Services
City of Baytown
City of Bedford
City of Borger
City of Brownsville
City of Bryan
City of Canyon
City of Carthage
City of Corpus Christi
City of Edinburg
City of Grapevine
City of Harlingen
City of Hidalgo
City of Houston Health Department
City of Laredo
City of Lubbock Health Department
City of McAllen
City of Mineral Wells
City of Mission
City of North Richland Hills
City of Orange
City of Paris
City of San Marcos
City of Temple
City of Terrell
City of Texarkana
City of Tomball
City of Victoria
City of Weslaco
City of Yoakum
Cochran County
Coleman County
Collin County
Comal County
Comanche County
Cooke County
Crane County
Crosby County
Dallam County

Local Registrars That Have Contracted with the Department of State Health Services' Department's Remote Access Birth System

Dallas City Health Department
Dallas County
Dawson County
Deaf Smith County
Denton County
Dewitt County
Dickens County
East Texas Workforce
Eastland County Clerk
Ector County Clerk
El Paso County Clerk
Ellis County Clerk
Erath County
Fayette County
Fisher County
Fort Bend County
Fort Worth/Tarrant County
Frio County
Gaines County
Galveston County
Gonzales County
Gray County
Grayson County
Gregg County
Guadalupe County
Hale County
Hall County
Hamilton County
Hardin County
Harris County
Harrison County
Hays County
Henderson County
Hidalgo County
Hockely County
Hood County
Hopkins County
Houston County
Howard County

Local Registrars That Have Contracted with the Department of State Health Services' Department's Remote Access Birth System

Hunt County
Hutchinson County
Jack County
Jackson County
Jasper County
Johnson County
Jones County
Karnes County
Kaufman County
Kent County
Kerr County
Kleberg County
Lamar County
Lamb County
Lee County
Liberty County
Limestone County
Madison County
Matagorda County
Medina County
Midland County
Milam County
Mitchell County
Montague County
Montgomery County
Moore County
Morris County
Nacogdoches County
Navarro County
Nolan County
Northeast Texas Public Health/Smith County
Nueces County
Parker County
Pecos County
Polk County
Port Arthur City of Health
Reagan County
Red River County
Reeves County

Local Registrars That Have Contracted with the Department of State Health Services' Department's Remote Access Birth System
Refugio County
Rockwall County
Runnels County
Rusk County
Sabine County
San Antonio Metro Health
San Augustine County
Scurry County
Shackelford County
Shelby County
Somervell County
Starr County
Stephens County
Swisher County
Tarrant County
Taylor County
Terry County
Texas City
Titus County
Tom Green County
Tyler County
Upshur County
Upton County
Uvalde County
Waco-McLennan County Public Health District
Walker County
Waller County
Ward County
Washington County
Wheeler County
Wichita Falls/Wichita County Public Health District
Williamson County
Wilson County
Wise County
Wood County
Yoakum County
Young County

Source: Unaudited data provided by the Department's Vital Statistics Unit from the Texas Electronic Registrar system.

Local Registrars That Submitted a Self-assessment to the Department in July 2008

Table 5 lists the 147 of 421 local registrars that completed a self-assessment provided to them by the Department of State Health Services' (Department) Vital Statistics Unit. The names listed in Table 5 appear exactly as the local registrars wrote them on the self-assessments. As a result, there may appear to be duplicates because multiple offices within the same jurisdiction may have completed a self-assessment. However, auditors reviewed all 147 completed self-assessments to ensure there were no duplicates.

Table 5

Local Registrars that Submitted a Self-assessment to the Department in July 2008
Atascosa
Austin County - Bellville
Baytown
Beeville
Bell/Belton 1-3-4
Bell/Temple
Borger
Brazoria
Brazos/Bryan
Brazos/College Station
Brown
Caldwell/Luling Precinct 2
Carthage
Castro
Cherokee-Rusk
City of Amarillo
City of Austin 02
City of Brownsville
City of San Marcos
City of Slaton
City of Tomball
City of Yoakum
Coke
Coleman
Collin
Colorado, Weimar Precinct 2
Comal County
Comanche

Local Registrars that Submitted a Self-assessment to the Department in July 2008
Cooke
Coryell Precinct 4
Crane
Culberson/Van Horn Precinct 1
Dawson, Lamesa Texas
Deaf Smith County
Denton
Denton County JP # 2
Denton Precinct 3
Dewitt
Donlery
Duval Precinct 1
Eastland/Ranger
Ector
Edinburg
Edwards/Rocksprings/Co. Wide
El Paso
Fayette/Fayetteville Precinct 2
Fort Bend County
Fort Worth
Franklin Precinct 2
Franklin Precinct 3
Freestone Precinct 1
Frio
Galveston County, Galveston
Galveston County, Texas City
Grapevine
Grayson
Grayson Sherman
Gregg- Longview
Grimes, Anderson Precinct 2
Grimes
Guadalupe
Hale/Plainview
Hamilton
Harris, Houston
Hidalgo Co., McAllen, Pct 2.1
Hill/Hillsboro Precinct 1
Hockley

Local Registrars that Submitted a Self-assessment to the Department in July 2008
Hood/Granbury
Houston
Houston/Crockett
Irion
Jasper
Jeff Davis Precinct 1
Jefferson County, Beaumont Pct I & VI
Jefferson, Port Arthur
Jefferson/Beaumont Precinct 7
Jefferson/Groves
Karnes
Kaufman
Kerr County
Lavaca, Hallettsville # 1
Leon
Lewisville
Liberty/Liberty Precinct 1
Live Oak, George West Precinct 1
Live Oak, Three Rivers, Tx Precinct 2
Llano
Lubbock
Lynn
Lynn County O'Donnell Precinct 4
Madison
McLennan County, Precinct 1 place 1
McLennan County, Precinct 4
McLennan County, Precinct 5
McLennan, Waco
Midland County
Mission
Mitchell County
Moore County
Nederland
Nocona
Nolan
North Richland Hills
Nueces/Corpus Christi
Orange County, Precinct 3
Panola Precinct 2-3

Local Registrars that Submitted a Self-assessment to the Department in July 2008
Parker
Pasadena
Pecos County
Pharr
Polk/Livingston
Reeves
Rio Grande City
Robertson, Calvert Precinct 1
Rockwall
Rockwall
Rusk County, Henderson, Texas
San Jacinto/Shepherd Precinct 2
San Patricio Percent 6
San Patricio Precinct 4
Schleicher
Scurry County
Smith County
Somervell/Glen Rose
Sterling County
Tarrant
Tarrant 220/Nedford 10
Tarrant/City of Keller
Taylor/Abilene/1
Taylor/Abilene/1
Tyler
Uvalde
Van Zandt County
Victoria County
Victoria Precinct 2
Waller/Hempstead 01
Ward/Monahans
Webb/Laredo
Webb-Laredo
Weslaco
Wharton/El Campo Precinct 4
Wichita
Wichita Precinct 1 Place 2
Williamson County, Georgetown
Wilson

Local Registrars that Submitted a Self-assessment
to the Department in July 2008

Wise/Decatur

Yoakum, Denver City # 2

Source: Self-assessments self-reported by local registrars for fiscal year 2008 and submitted to the Department's Vital Statistics Unit.

Copies of this report have been distributed to the following:

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The Honorable Joe Straus III, Speaker of the House, Joint Chair
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The Honorable Thomas “Tommy” Williams, Member, Texas Senate
The Honorable Jim Pitts, House Appropriations Committee
The Honorable Rene Oliveira, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor

Health and Human Services Commission

Mr. Thomas Suehs, Executive Commissioner

Department of State Health Services

Dr. David L. Lakey, Commissioner



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