



OBM | Office of Internal Audit

OBM Office of Internal Audit

Fiscal Year 2015 Annual Audit Plan

July 1, 2014 – June 30, 2015



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Mission Statement

The OBM Office of Internal Audit (OIA) will provide independent, objective assurance and consulting activities designed to improve management practices, identify operational improvement, and reduce agency risk exposure.

Introduction

OIA performed an audit prioritization of 27 state agencies' (as required by Ohio Revised Code section 126.47) risk environment in order to develop the audit plan for fiscal year 2015. Development of the assessment was based on various risk factors to the organization, as well as interviews with various members of management and other stakeholders. Section 126.45 (A) requires OIA to conduct audits at 26 agencies; other state agencies, such as the Casino Control Commission, may request this service per Section 126.45(D). As such, other agencies could be added throughout the year.

The goal of the audit prioritization and audit plan is to facilitate a process of continuous improvement in both business processes and internal controls throughout the organization with the ultimate goal of improving services to Ohio's constituency.

Purpose

The purpose of internal audit is to provide an independent assessment of the adequacy of internal controls throughout the organization. The Institute of Internal Auditors (IIA) provides the following definition of internal auditing:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

The role of internal auditing includes the following activities:

- Evaluating and improving the adequacy and effectiveness of risk management, control, and governance processes;
 - Evaluating the management process to determine whether reasonable assurance exists that management objectives and operational goals are achieved; and
 - Providing process and managerial consulting to improve risk management, control and governance processes.
-



FY 2015 Audit Prioritization Process

Risk Assessment Methodology

In developing the audit plan, OIA performed a risk analysis for the 27 state agencies in OIA's planned oversight utilizing seven risk factors. The objective of the risk assessment is to ensure optimized assignment of audit resources through an understanding of the audit universe and the risks associated with each universe item.

The OBM Office of Internal Audit recognizes that most state agencies are at an informal stage of enterprise risk management. OIA plans to engage agency management on enterprise risk and lead them to a maturity level where they can independently assess their enterprise risk management processes over time. In the current audit plan, we obtained agency input for two of the seven risk factors (changes in systems, processes, & people and stakeholder concerns).

The audit prioritization process included the following activities:

- Planning the assessment and identifying the audit universe.
- Conducting the risk assessment with agency management.
- Internal analysis of the results.
- Discuss draft heat map and planned audit areas with agency management.

Audit Universe

Each agency audit universe has multiple categories depending upon the state agency. The primary source for determining the categories is the biennial budget bill which identifies significant agency processes and functions.

Enterprise risks are not presented separately since the State has one agency that provides service for central support functions which typically are part of each agency audit universe. These include legal representation (Ohio Attorney General); ethics enforcement (Ohio Ethics Commission); human resources/risk management reserve (Department of Administrative Services); investments (Treasurer of State); budgeting/financial reporting/shared services (Office of Budget and Management); and general debt issuance (Commissioners of the Sinking Fund).

The State has enacted significant changes to its IT environment through an IT Optimization initiative. Previously, OIA conducted IT General Control audits at the agencies. OIA's planned audit activities are aligned to these changes over the next few years. Key changes involve increased consulting at the design and implementation stages (centrally at the Department of Administrative Services), as well as decentralized assurance services at agencies (IT-business alignment, application development and access controls, and IT asset and vendor management).



Risk Factors

The seven risk factors utilized for the assessment were developed using IIA guidance and historical knowledge of state government, as well as best practices in internal auditing. Each risk factor was scored based on likelihood of the risk and the measure of consequence of the event. The overall goal of the risk scoring approach is to ensure OIA audits high and moderate risk areas routinely with the consideration of work performed by other auditors. Over the next few years OIA plans to expand use of data analytics to increase areas of audit coverage, particularly in areas rated as low risk.

Once the various risk factors were rated, they were weighted in order to arrive at a composite risk score for each area, which was used to determine areas to prioritize for the fiscal year 2015 audit plan.

The seven risk factors and assigned weighting are as follows:

Risk Factors	Weight	Description
Control Design and Effectiveness	25%	The assessed reliability of the internal control system is important in judging the likelihood of errors in the system.
Materiality	25%	This factor focuses on the financial size, complexity, or sensitive nature of auditable areas.
Changes: System, Process, and People	15%	A dynamic environmental change, in terms of systems/processes/people, increases the probability of efficiencies as well as errors occurring. <i>(Agency input obtained)</i>
Stakeholder Concerns/ Reputational Risk	10%	Management or other stakeholder concerns can influence the priority of an auditable area and could take priority over other risk factors in some cases. The reputation of an agency can be impacted by failures in certain sensitive processes. <i>(Agency input obtained)</i>
Impact of Fraud, Waste, and Abuse	10%	The impact of illegal acts or wasteful spending can result in a heightened consequence with public funds regardless of the dollar amount.
Prior Audits	10%	The recency of prior audits (OIA, Auditor of State, State Inspector General, actuaries, etc.) may more accurately predict the likelihood of future outcomes.
Financial/Operational Reporting	5%	Accuracy of reported financial activity is magnified through anticipated use by outside parties.



Preliminary Audit Scope

The state agency heat maps in Appendix A identify the audit priorities and preliminary scope for the 27 agencies based upon the seven risk factors. The audit universe categories are identified on a graph based upon likelihood and impact. The likelihood is the measure of the probability of an unfavorable event occurring while impact is the measure of the consequence of an unfavorable event occurring at the agency. Those areas in the upper right side corner of the heat map (red boxes) represent higher audit priorities while those in the lower left side corner (green boxes) represent lower audit priorities.

To reflect each agency's relational size, a comparison table is presented in Appendix B to show their proposed 2015 annual budgeted appropriation in relation to other agencies. The Department of Medicaid's appropriations are reported separately at the bottom of the schedule since their proposed appropriations could distort the overall schedule.

Based upon discussions with the Auditor of State (AOS), we have identified those areas planned for audit by the AOS in fiscal year 2015. There are some areas planned for audit by both OIA and AOS while some areas are not planned by either audit group.

For the Bureau of Workers' Compensation (BWC) and Ohio Lottery Commission (OLC), OIA plans to leverage the financial audit work completed by the BWC and OLC internal audit teams. In order for OIA to rely upon this work, OIA will perform the following:

- Review the independence and objectivity of the BWC and OLC internal audit teams.
- Assess the competencies and qualifications of the BWC and OLC audit teams by verifying the professional experience, qualifications, and professional certifications of the audit teams.
- Ensure the work performed by the BWC and OLC audit teams are appropriately planned, supervised, documented, and reviewed. Additionally, OIA will consider whether the audit evidence is sufficient to determine the extent of use and reliance on the work.
- Determine that audit significant observations have been communicated to the BWC Board of Director's Audit Committee and OLC Audit Committee. Additionally, evaluate the follow-up procedures by the BWC and OLC audit teams to determine whether management has implemented the recommendations or assumed the risk of not implementing them.
- At least annually, OIA's Chief of Quality Assurance will provide the State Audit Committee with an assessment on the reliance of BWC and OLC's internal audit functions.



Audit Priorities and Resources

Based upon the audit prioritization process, OIA identifies audit areas with a focus on rotational audit coverage to include:

- High risk areas – every one to two years;
- Moderate risk areas - every three to four years; and
- Low risk areas - periodically, as appropriate

To complete the financial and information technology engagements in this plan, OIA estimates approximately 34,771 audit hours (19,769 financial and 15,003 IT) will be necessary. The chart below depicts that OIA has the appropriate mix of financial and IT audit staff to complete 84% of the planned engagements for fiscal year 2015.

	OIA Employees (total hours/23 auditors)	% Total
Annual Audit Hours Available/Employee	2,080	100%
Less: Holiday Hours	(80)	(4%)
Less: Leave Hours (vacation, personal, sick, adoption/childbirth)	(290)	(13%)
Less: Training (internal/external)	(80)	(4%)
Less: Breaks (union employees); Non-Bill (payroll, email, supervision)	(270)	(13%)
Less: Staff Replacement/Turnover (est. 3/yr.)	(60)	(3%)
Budgeted Hours/Employee	1,300	63%
x 23 employees	x 23	
Estimated Audit Hours before Remediation	29,900	
Less: Estimated Remediation Hours for Prior Year Projects	(800)	
Total estimated audit hours available	29,100	
Total estimated plan hours	34,771	
Estimated resources available to complete plan	84%	



Planned Engagements

The following schedule represents planned audit areas based on an evaluation of agency audit priorities from heat maps and discussions with agency management.

OIA may revise audit areas and schedules of the annual plan. Based on anticipated changes in agency risk profiles, unplanned audits, and OIA staff changes, OIA will add audit areas that can be completed within OIA's budget and add value to operational processes. Also, OIA will perform validation testing to ensure management has taken appropriate corrective action on previously reported audit observations.

The OIA level of effort included in the audit areas is as follows:

- Small – less than 300 audit hours
- Medium – between 300 and 500 audit hours
- Large – between 500 and 800 audit hours
- Extra Large – greater than 800 audit hours

The planned audit areas for fiscal year 2015 are included below:

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
1	ADJ	Billeting and Event Facilities	Medium	Consulting: controls and processes over the administration of the Camp Perry lodging services
2	DAS	Operations	Large	Assurance: controls and processes around the development of certain chargeback rates
3	DAS	Payroll	Medium	Assurance: conduct data analysis on state-wide payroll data
4	DAS	General Services	Medium	Assurance: controls around the administration of the Voyager Card Program
5	DAS	Enterprise Applications/Online Services	Small	Assurance: review of the SLA enforcement process for Integrated Eligibility application
6	DAS	Enterprise Applications/Online Services	Medium	Assurance: controls over processes to maintain key IT applications (e.g. OBG, e-licensing)
7	DAS	IT Security and Privacy	Small	Consulting: development of statewide IT Security policies
8	DAS	IT Infrastructure Services	Medium	Consulting: define Section 3 of SSAE 16: description and controls for Open Systems (Windows, AIX, Linux servers)



#	Agency	Audit Area	Level of Effort	Description of Audit Scope
9	DAS	IT Infrastructure Services	Medium	Assurance: evaluate SOCC asset management & incident, problem and change management processes
10	DAS	IT Infrastructure Services	Small	Assurance: controls over the Technical Services Request process
11	AGE	Federal Aging Grants	Small	Consulting: enforcement process over Medicaid providers
12	AGE	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
13	AGR	Administration	Small	Assurance: controls around the payment card activity and usage
14	AGR	IT Application Development/Animal and Food Safety	Small	Assurance: controls within the application development process
15	OBM	Shared Services A/P	Medium	Assurance: controls over accounts payable shared services
16	OBM	Payment Card	Medium	Assurance: controls over administration of payment card programs
17	OBM	Federal Schedule Reconciliation	Small	Consulting: federal schedule reconciliation process
18	CCC	Enforcement/Responsible Gaming	Small	Assurance: controls over data security in the enforcement and voluntary exclusion program
19	CCC	Licensing and Investigations	Small	Assurance: controls over key processes in the licensing function
20	CCC	IT Application Development	Small	Assurance: controls over access to key IT systems
21	COM	Industrial Compliance	Large	Assurance: controls over the key licensing/permitting processes and new application system
22	COM	Administration	Medium	Consulting: compliance based incentive programs
23	COM	Division of Financial Institutions	Small	Assurance: controls over key processes within the division
24	COM	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
25	COM	IT Vendor and Asset Management	Small	Assurance: assess IT vendor and asset management controls



#	Agency	Audit Area	Level of Effort	Description of Audit Scope
26	DSA	Federal Programs – Community Services	Small	Assurance: controls over key processes related to the Community Housing Improvement Program (CHIP)
27	DSA	Financial Incentives - Grants	Small	Assurance: controls over key processes related to Third Frontier program
28	DSA	Financial Incentives –Tax Credits	Small	Assurance: controls over key processes related to Motion Picture tax credits
29	DSA	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
30	DSA	IT Application Development	Medium	Assurance: controls over access to key IT systems
31	DSA	IT Vendor and Asset Management	Small	Assurance: assess IT vendor and asset management controls
32	DDD	Developmental Centers	Medium	Assurance: controls over key fiscal processes performed at the developmental centers
33	DDD	Community Social Service Programs	Medium	Assurance: controls over the administration of the self waiver program
34	DDD	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
35	EPA	Environmental Education	Small	Assurance: controls over the recycling program
36	EPA	Environmental Education	Small	Assurance: controls over the diesel bus program
37	EPA	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
38	ODH	Preventive and Preparedness	Medium	Assurance: controls over the Healthy Ohio program
39	ODH	Maternal Child Health Block Grant	Medium	Assurance: controls over the Maternal Child Health program
40	ODH	Administration	Small	Consulting: grant disbursement management/carryover
41	ODH	Women, Infants, and Children	Small	Consulting: evaluate the proposed WIC EBT system
42	ODH	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
43	ODH	IT Application Development	Medium	Assurance: agency process alignment with NIST assurance controls for moderate risk organizations



#	Agency	Audit Area	Level of Effort	Description of Audit Scope
44	ODI	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
45	ODI	Administration	Small	Assurance: controls and processes over the on-boarding and off-boarding processes
46	JFS	Adoption/Foster Care	Medium	Assurance: assess controls over licensing and monitoring of foster care program
47	JFS	Unemployment Compensation	Extra Large	Consulting: review UC benefits determination and identify process improvements and efficiencies
48	JFS	Food Assistance	Small	Consulting/Assurance: review (planned) implementation of new federal rules and perform data analytics for adherence
49	JFS	IT Application Development	Extra Large	Assurance: IT general controls for internal systems (SACWIS, ERIC, OJI); assess physical access controls over work sites and SOCC
50	JFS	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
51	JFS	IT Application Development	Large	Assurance: controls over access to key IT systems
52	JFS	IT Vendor and Asset Management	Large	Assurance: assess IT vendor and asset management controls
53	OLC	Video Lottery Terminal (VLT) reviews	Medium	Assurance: review VLT controls and compliance
54	OLC	IT Application Development	Small	Assurance: design and controls over application development
55	OLC	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
56	ODM	Fraud and Abuse	Medium	Consulting: review fraud analysis and capture procedures associated with managed care plans
57	ODM	IT Vendor and Asset Management	Medium	Assurance: assess vendor and asset management controls for Comprehensive Assessment and Case Management System
58	ODM	IT Application Development	Medium	Assurance: process alignment with NIST assurance controls for moderate risk organizations
59	ODM	IT Application Development	Large	Assurance: IT general controls



#	Agency	Audit Area	Level of Effort	Description of Audit Scope
60	MHA	Central Administration	Small	Assurance: assess controls associated with procurement to payment processes
61	MHA	Hospital Services	Medium	Assurance: evaluate standardization of key fiscal functions at the mental health hospitals
62	MHA	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
63	DNR	Mineral Resources Management	Small	Consulting: review of the federal reimbursement process
64	DNR	Oil and Gas	Medium	Assurance: controls over the oil and gas permitting process
65	DNR	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
66	OOD	Program Management	Large	Assurance: controls and processes over procurement and control management
67	OOD	General Administration	Medium	Assurance/Consulting: controls over the payment card process; provide consulting related to new initiative
68	OOD	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
69	DPS	State Highway Patrol	Medium	Assurance: design and controls over funds/purchases related to undercover investigations
70	DPS	Bureau of Motor Vehicles	Medium	Assurance: design and controls over the driving suspension process
71	DPS	IT Application Development	Medium	Assurance: design and controls over application development
72	DPS	Business-IT Alignment Assessment	Small	Assurance: business-IT alignment assessment
73	PUC	Utility Regulation	Small	Assurance: review annual report filings process
74	PUC	Customer Complaints	Small	Assurance: review design and controls at the consumer call center



#	Agency	Audit Area	Level of Effort	Description of Audit Scope
75	BOR	Shared IT Networks	Small	Assurance: controls over revenue process at OETC annual conference
76	BOR	Contract/Vendor Management	Medium	Assurance: controls over the Articulation and Transfer program administered by Wright State University
77	BOR	Ohio Tuition Trust Authority	Medium	Assurance: controls over key processes at Ohio Tuition Trust Authority
78	BOR	State Share of Instruction	Small	Consulting: State Share of Instruction data accuracy
79	DRC	Institutional Operations/Admin – Non-payroll	Medium	Assurance: controls and processes over the locally held funds at institutions
80	DRC	Community Non-Residential Programs	Small	Consulting: grants monitoring procedures
81	DRC	Business-IT Alignment Assessment	Small	Assurance: business-IT alignment assessment
82	TAX	Excise & Other Taxes	Medium	Consulting: review design of controls for process changes associated with the cigarette taxes
83	TAX	Revenue Distribution	Large	Assurance: evaluate design of controls associated with the revenue accounting and reporting for TAX's holding funds
84	TAX	Business-IT Alignment Assessment	Small	Assurance: business-IT alignment assessment
85	TAX	IT Application Development	Medium	Assurance: agency process alignment with NIST assurance controls for moderate risk organizations
86	DOT	IT Application Development	Large	Assurance: IT general controls on key computer systems
87	DOT	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
88	DOT	IT Application Development	Small	Consulting: review data compatibility/commonality across computer systems that track various assets
89	DOT	Turnpike Bond Revenue	Medium	Consulting/Assurance: evaluate design and effectiveness of controls over management of the Turnpike Bond Revenue



#	Agency	Audit Area	Level of Effort	Description of Audit Scope
90	DVS	State Operations	Small	Assurance: design and control effectiveness over contract management
91	BWC	IT Application Development	Extra Large	Assurance: IT general controls for change management, security, operations, and infrastructure
92	BWC	Business-IT Alignment	Small	Assurance: business-IT alignment assessment
93	BWC	IT Application Development	Large	Consulting: CORE pre-implementation review
94	DYS	State Correctional Facilities – non-payroll	Medium	Assurance: controls around the procurement process
95	DYS	Administrative Operations	Small	Consulting: fleet management
96	DYS	Business-IT Alignment	Small	Assurance: business-IT alignment assessment

Each state agency is provided a memorandum of understanding (MOU) at the beginning of the fiscal year which identifies OIA’s planned scope, audit fees, and other general provisions. The MOU will include an allotted amount of audit hours for follow up on agency remediation of previously issued observations. In addition, OIA may include additional audit areas if time allows.

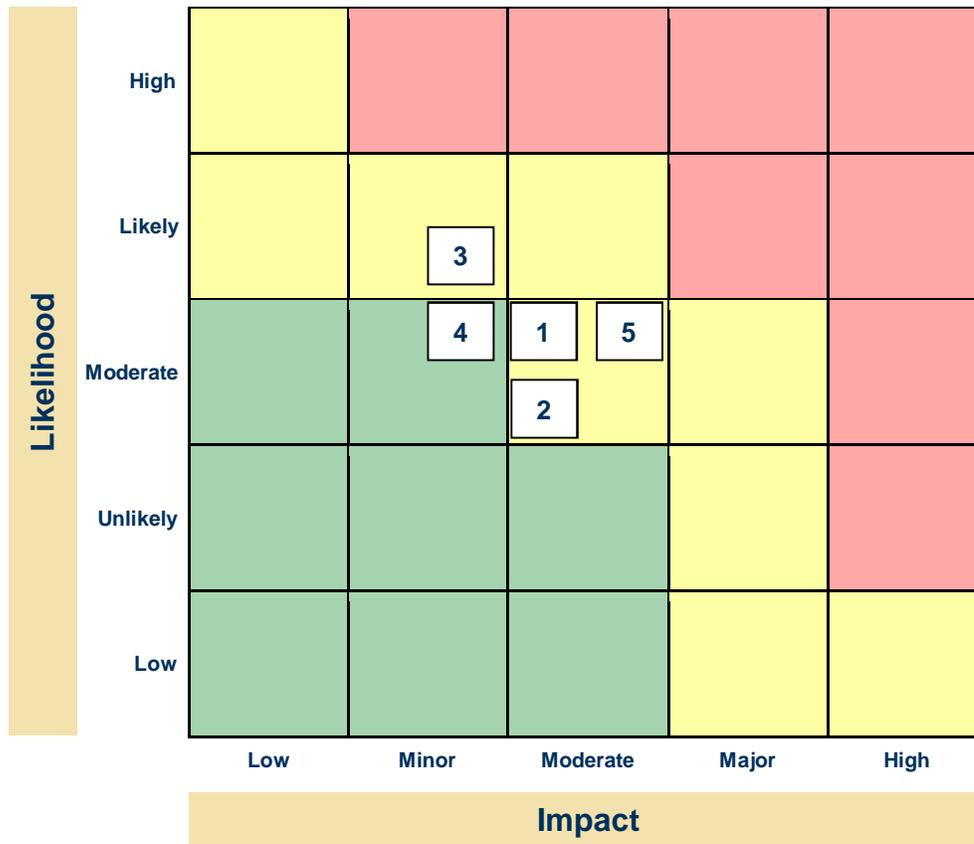


Appendix A

Agency Risk Heat Maps



**ADJUTANT GENERAL
FISCAL YEAR 2015 AUDIT PRIORITIES**



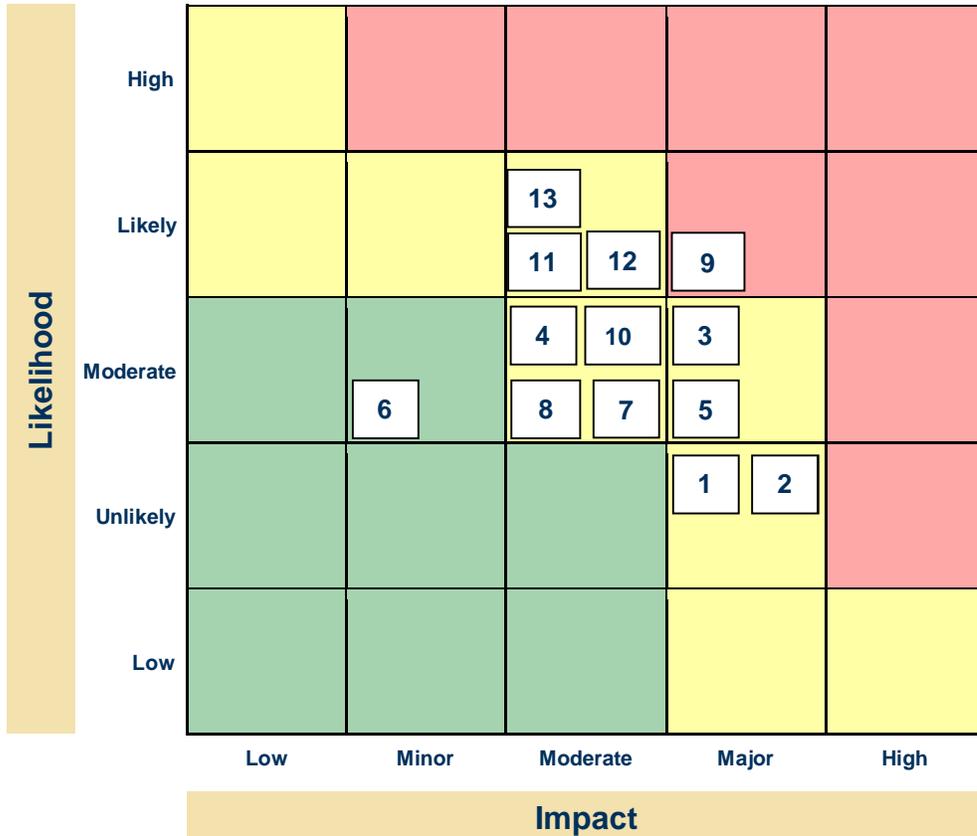
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013*	2014	2015	2016
1	Billenting and Event Facilities			AOS/OIA	AOS
2	Central Administration		✓	AOS	AOS
3	National Guard Scholarship Program				OIA
4	Property Management		✓	AOS	AOS
5	Armory Board Funds				OIA

Note: All IT systems and networks at ADJ are owned and managed by the federal government, therefore the IT systems are not under OIA oversight.

* OIA began audit activities in FY 14.



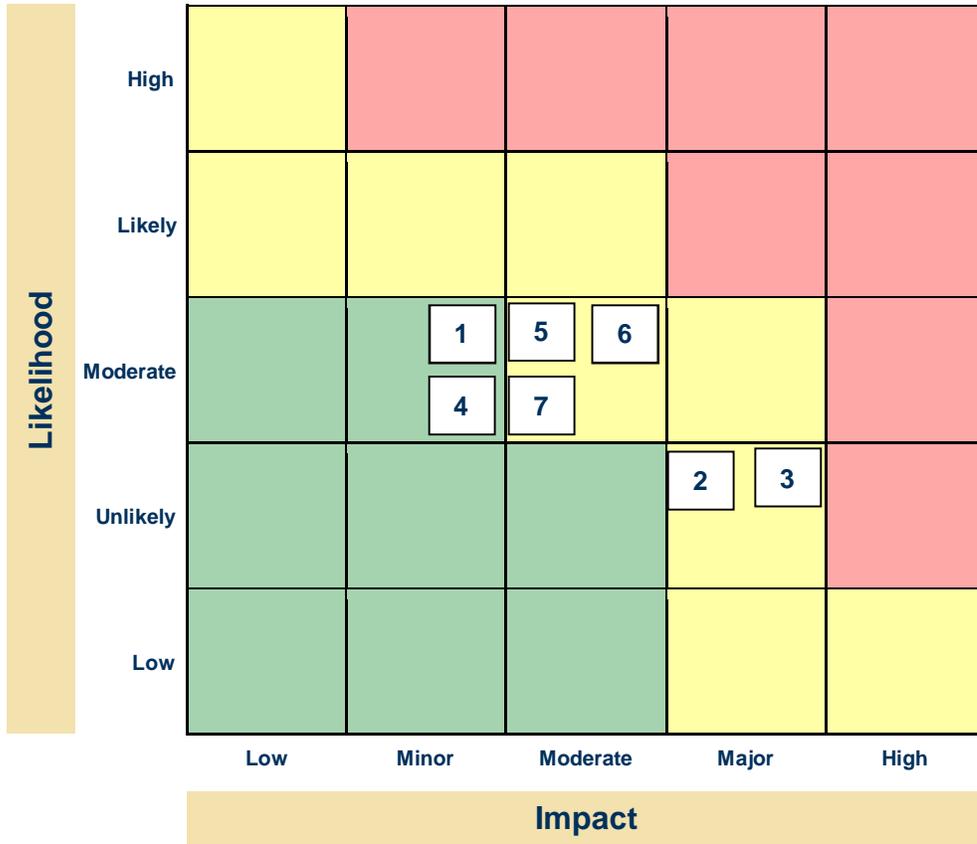
**DEPARTMENT OF ADMINISTRATIVE SERVICES
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Payroll			OIA	
2	State Employee Health Benefit Fund	✓			OIA
3	Enterprise Applications/Online Svcs			OIA	OIA
4	General Services		✓	OIA	
5	IT Infrastructure Services	✓	✓	AOS/OIA	AOS/OIA
6	Central Services Agency	✓	✓	AOS	AOS
7	State Purchasing	✓	✓		OIA
8	Operations	✓	✓	AOS/OIA	AOS/OIA
9	IT Security & Privacy	✓	✓	OIA	
10	Statewide Indirect Cost Allocation Plan	✓	✓	AOS	AOS
11	IT Vendor & Asset Management				
12	IT Application Development				
13	Business-IT Alignment				OIA



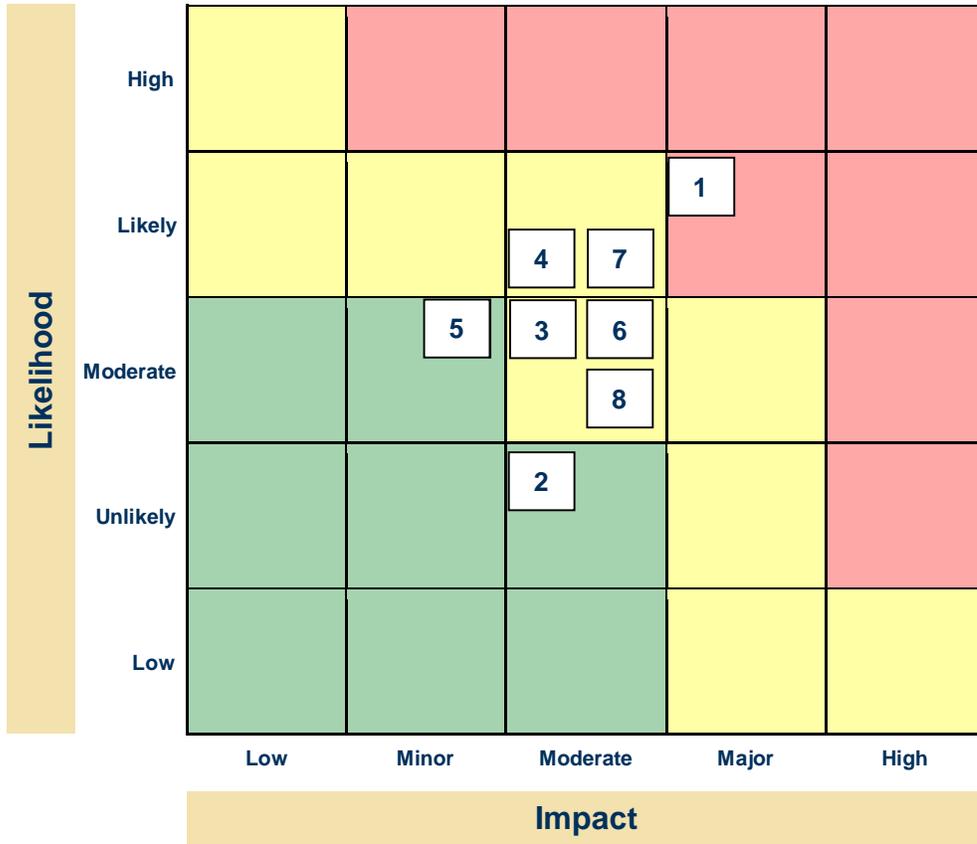
**DEPARTMENT OF AGING
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Senior Community Services				
2	Federal Aging Grants	✓		OIA	AOS
3	Area Agencies on Aging		✓		
4	Administration	✓	✓	AOS	AOS/OIA
5	IT Vendor and Asset Management				
6	IT Application Development				OIA
7	Business-IT Development			OIA	



**DEPARTMENT OF AGRICULTURE
FISCAL YEAR 2015 AUDIT PRIORITIES**

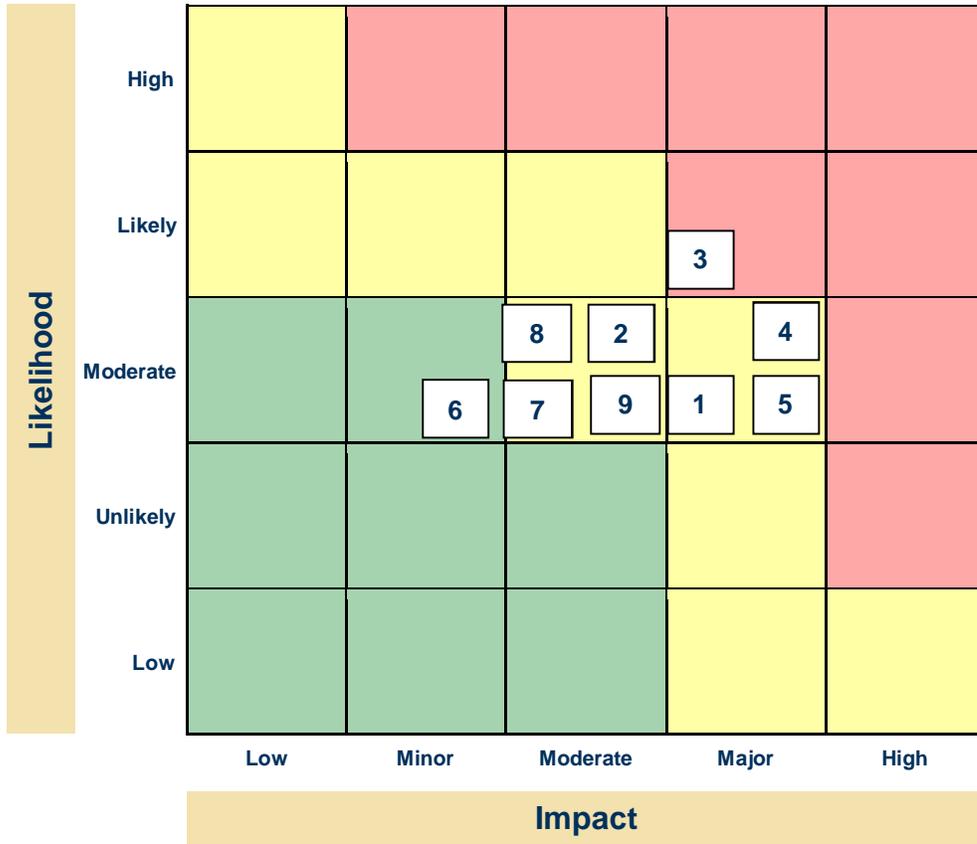


No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Animal and Food Safety	✓		OIA	
2	Meat Inspection		✓		
3	Administration			AOS/OIA	AOS
4	Plants and Pesticides				OIA
5	Amusement Ride Inspection				
6	IT Vendor & Asset Management				
7	IT Application Development			OIA	
8	Business-IT Alignment				OIA

Note: The Auditor of State performs a general revenue audit each year.



**OFFICE OF BUDGET AND MANAGEMENT
FISCAL YEAR 2015 AUDIT PRIORITIES**

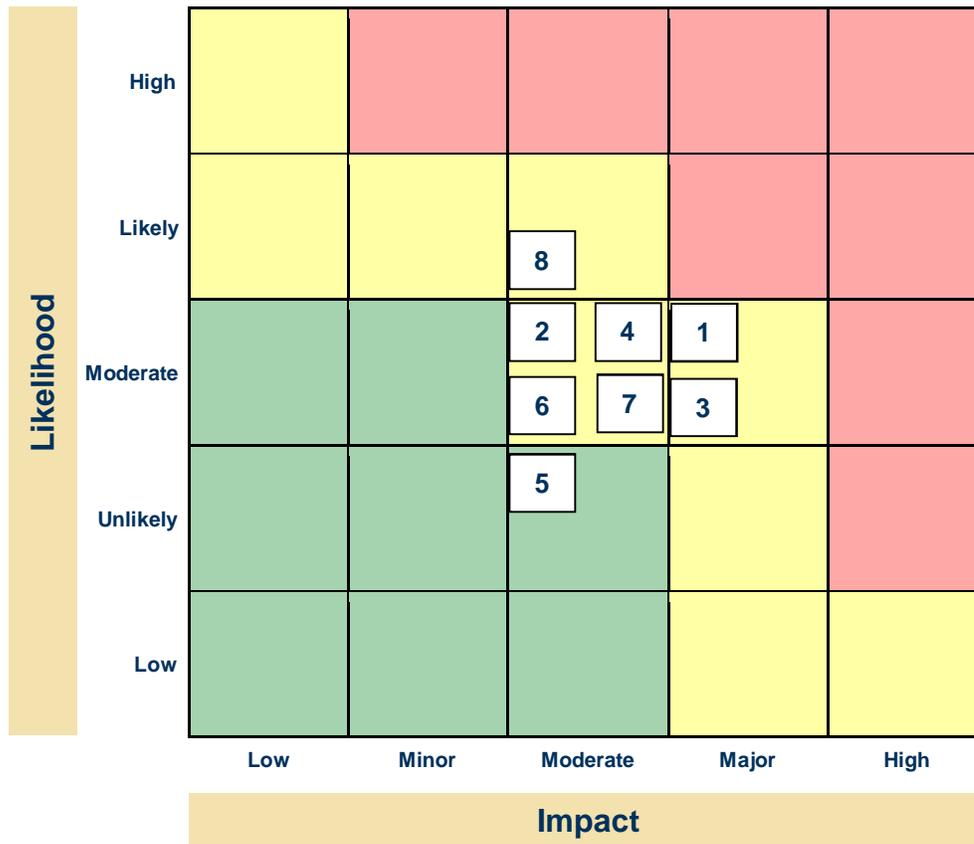


No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Shared Services	✓	✓	OIA	OIA
2	Accounting Operations	✓		AOS/OIA	
3	Budget Development & Implementation	✓	✓	AOS	OIA/AOS
4	Financial Reporting	✓	✓	AOS/OIA	AOS
5	Debt Management		✓		
6	Controlling Board	✓		AOS	
7	IT Vendor & Asset Management				
8	IT Application Controls				
9	Business-IT Alignment				

Note: The Auditor of State performs a financial statement audit each year.



**OHIO CASINO CONTROL COMMISSION
FISCAL YEAR 2015 AUDIT PRIORITIES**

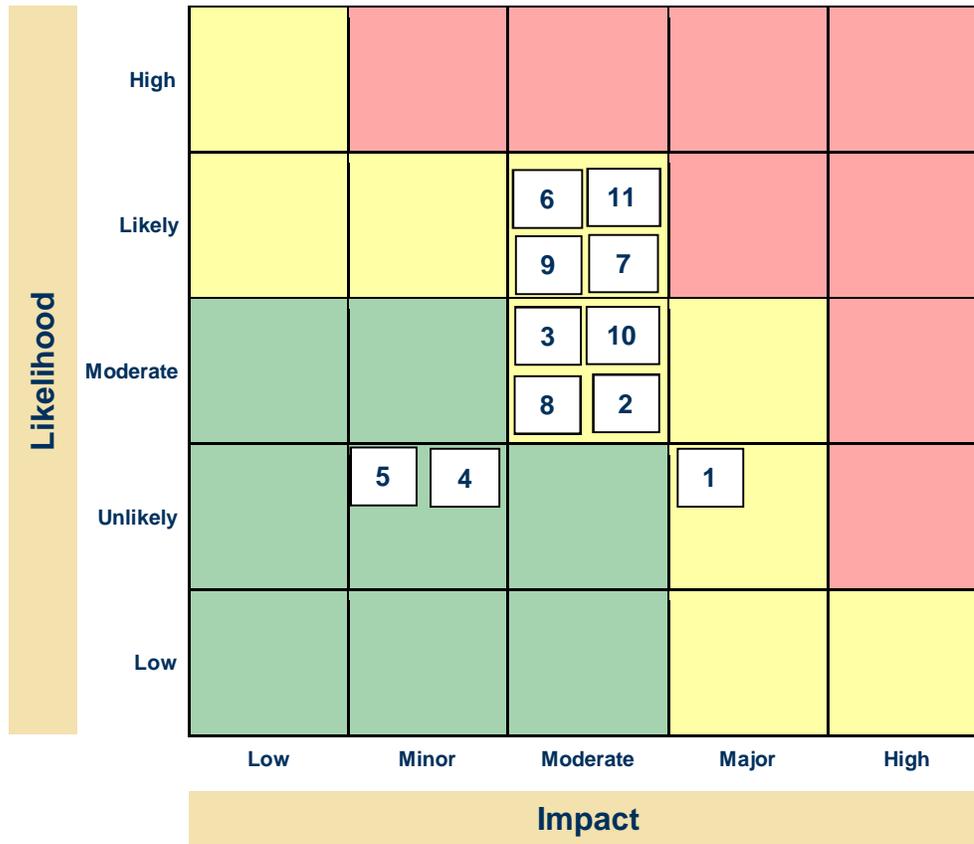


No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013*	2014	2015	2016
1	Licensing and Investigations		✓	OIA	OIA
2	Regulatory Compliance		✓		
3	Enforcement			OIA	OIA
4	Responsible Gaming			OIA	
5	Revenues & Expenditures			AOS	
6	IT Vendor and Asset Management				
7	IT Application Development			OIA	
8	Business-IT Alignment				

*Voluntarily elected to have OIA perform internal audit services beginning in FY 2014, per ORC 126.45(D).



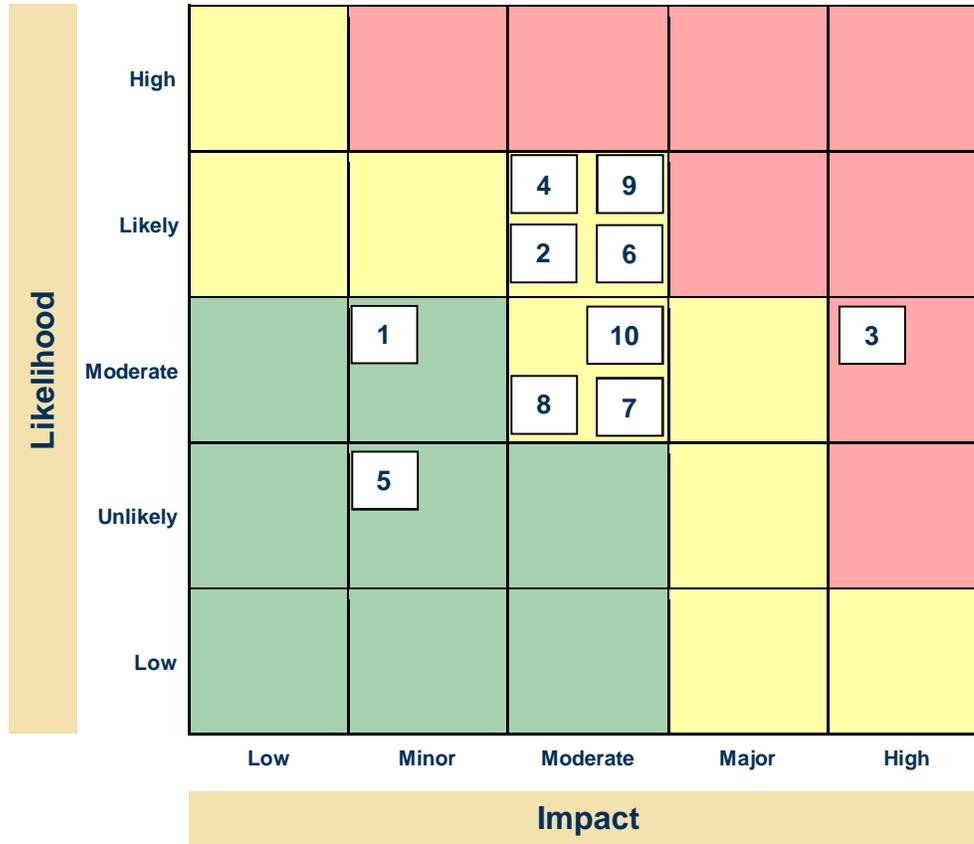
**DEPARTMENT OF COMMERCE
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Unclaimed Funds	✓		AOS	
2	Division of Financial Institutions			OIA	
3	State Fire Marshal		✓		OIA
4	Real Estate	✓			
5	Securities		✓		
6	Industrial Compliance			OIA	OIA
7	Liquor Control	✓	✓	AOS	AOS
8	Administration			AOS/OIA	AOS/OIA
9	IT Vendor & Asset Management			OIA	
10	IT Application Development		✓		
11	Business-IT Alignment			OIA	



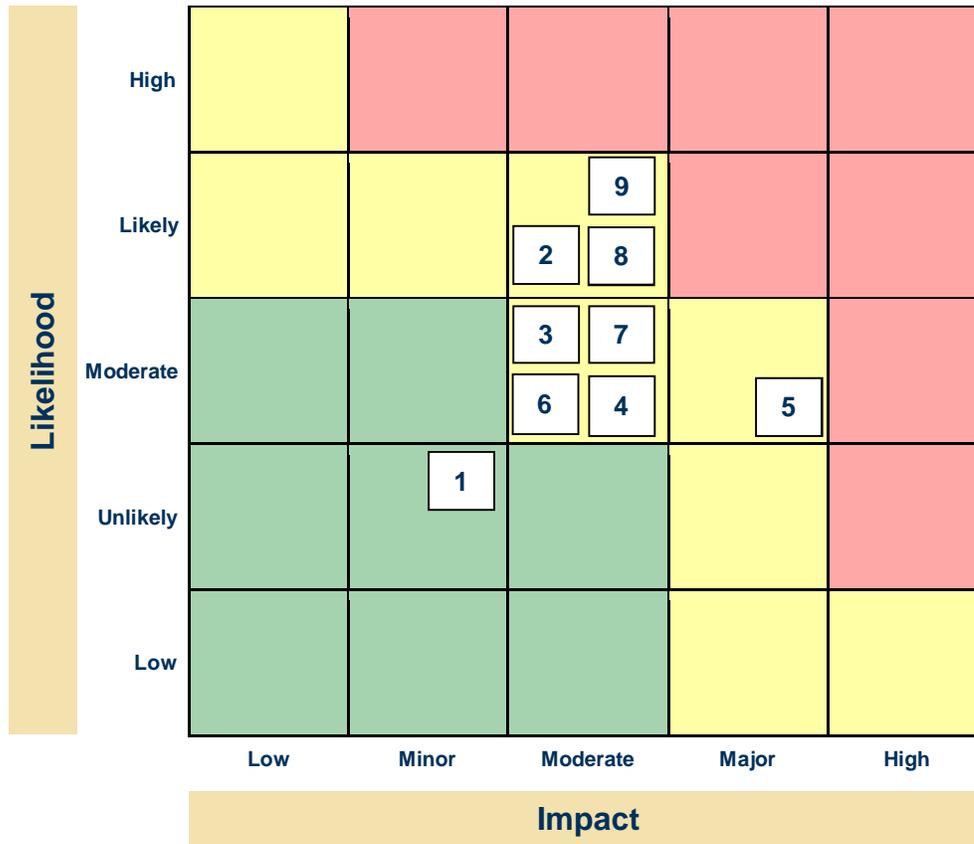
**DEPARTMENT OF DEVELOPMENTAL DISABILITIES
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	DD Council				
2	Community Social Service Programs			OIA	OIA
3	Community Medicaid	✓	✓	AOS	AOS/OIA
4	Developmental Centers	✓		OIA	OIA
5	Operating and Services		✓	AOS	AOS
6	Targeted Case Management				
7	County Boards				
8	IT Vendor & Asset Management		✓		
9	IT Application Development			AOS	AOS
10	Business-IT Alignment			OIA	



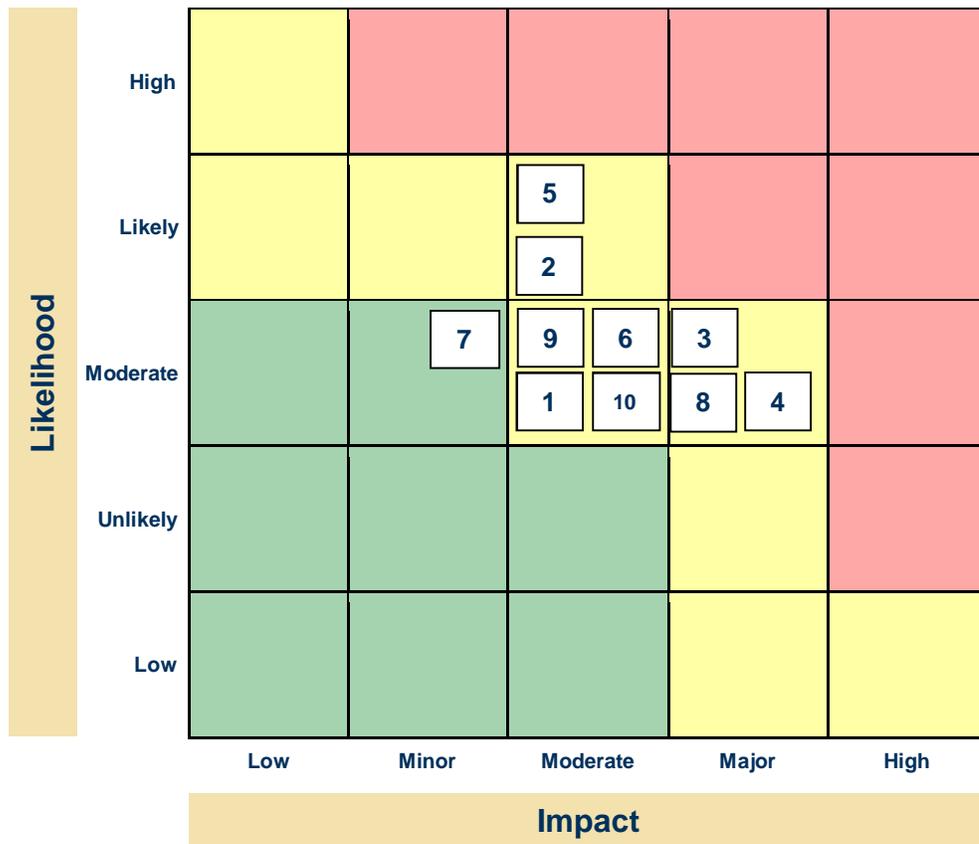
**ENVIRONMENTAL PROTECTION AGENCY
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Administration	✓	✓		OIA
2	Materials and Waste Management				
3	Surface Water				OIA
4	State Revolving Loan Programs	✓	✓	AOS	AOS
5	Air Pollution Control				OIA
6	Environmental Education			OIA	
7	IT Vendor & Asset Management				
8	IT Application Development				
9	Business-IT Alignment			OIA	



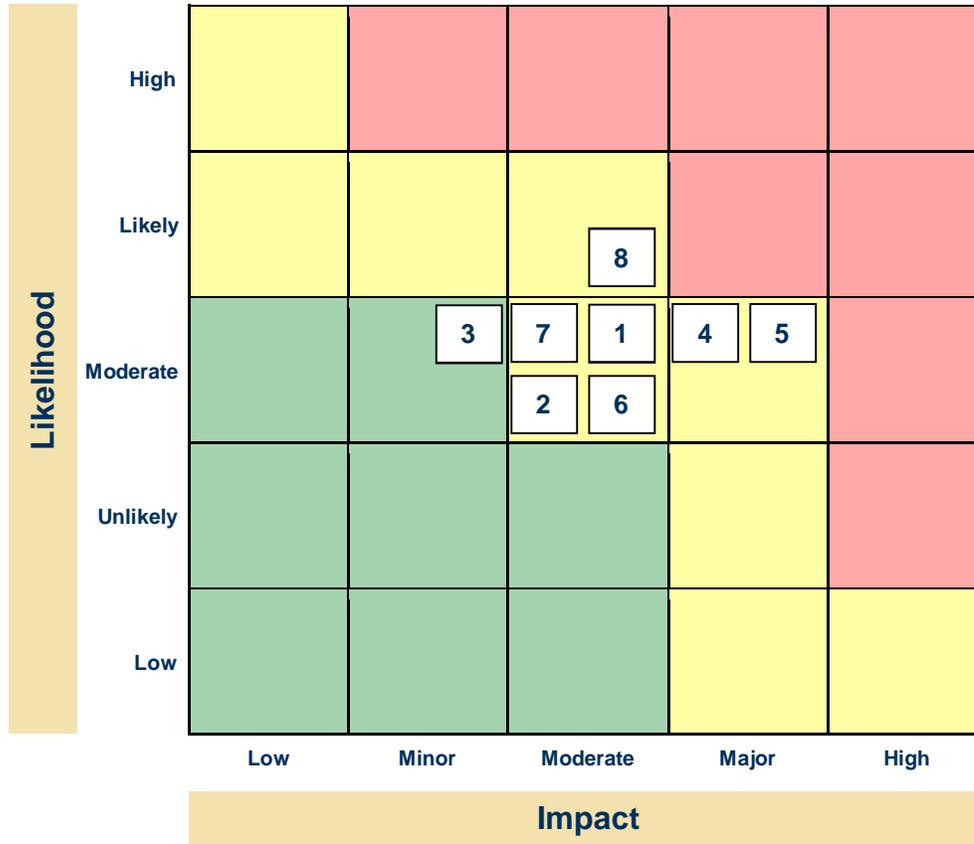
**DEPARTMENT OF HEALTH
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Community and Family Health Services		✓		
2	Administration	✓	✓	AOS/OIA	OIA
3	Maternal Child Health Block Grant	✓		OIA	
4	Women, Infants, and Children	✓		OIA	AOS/OIA
5	Preventive and Preparedness	✓		OIA	
6	Immunizations				OIA
7	Medically Handicapped Children				
8	IT Vendor & Asset Management				OIA
9	IT Application Development			OIA	
10	Business-IT Alignment			OIA	



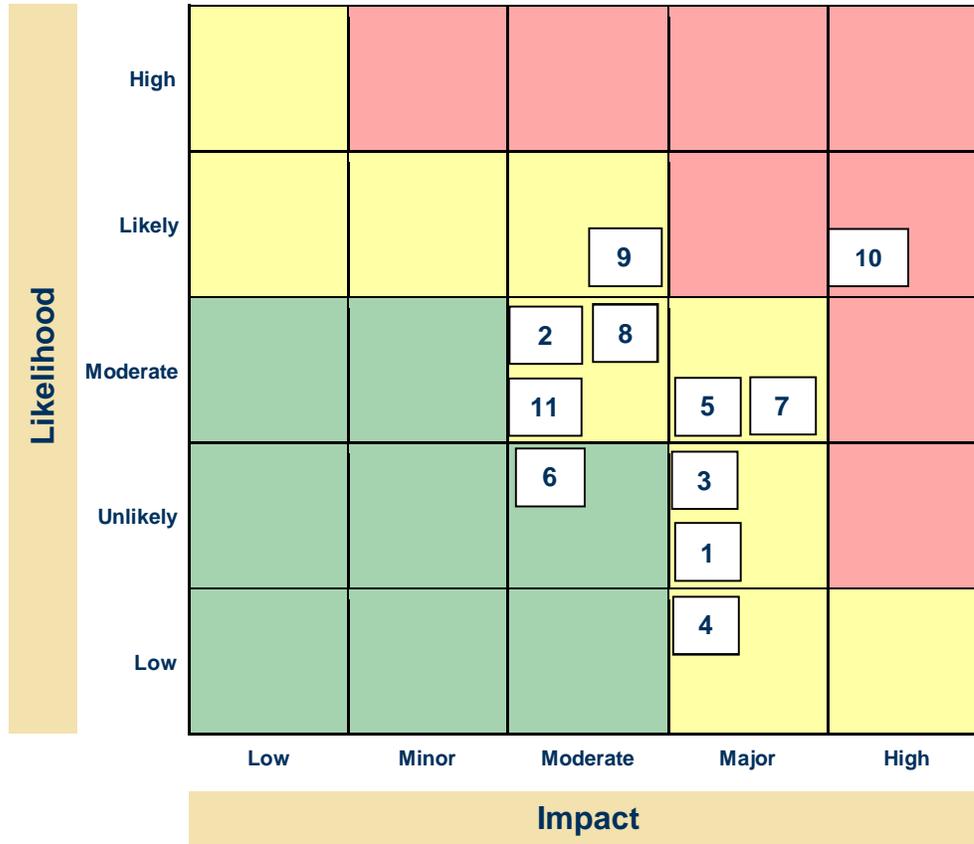
**DEPARTMENT OF INSURANCE
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Administration	✓	✓	AOS/OIA	AOS
2	Licenses				
3	Examinations				OIA
4	Domestic Insurance Collections	✓	✓	AOS	AOS
5	Foreign Insurance Collections	✓	✓	AOS	AOS
6	IT Vendor & Asset Management				
7	IT Application Development				OIA
8	Business-IT Alignment			OIA	



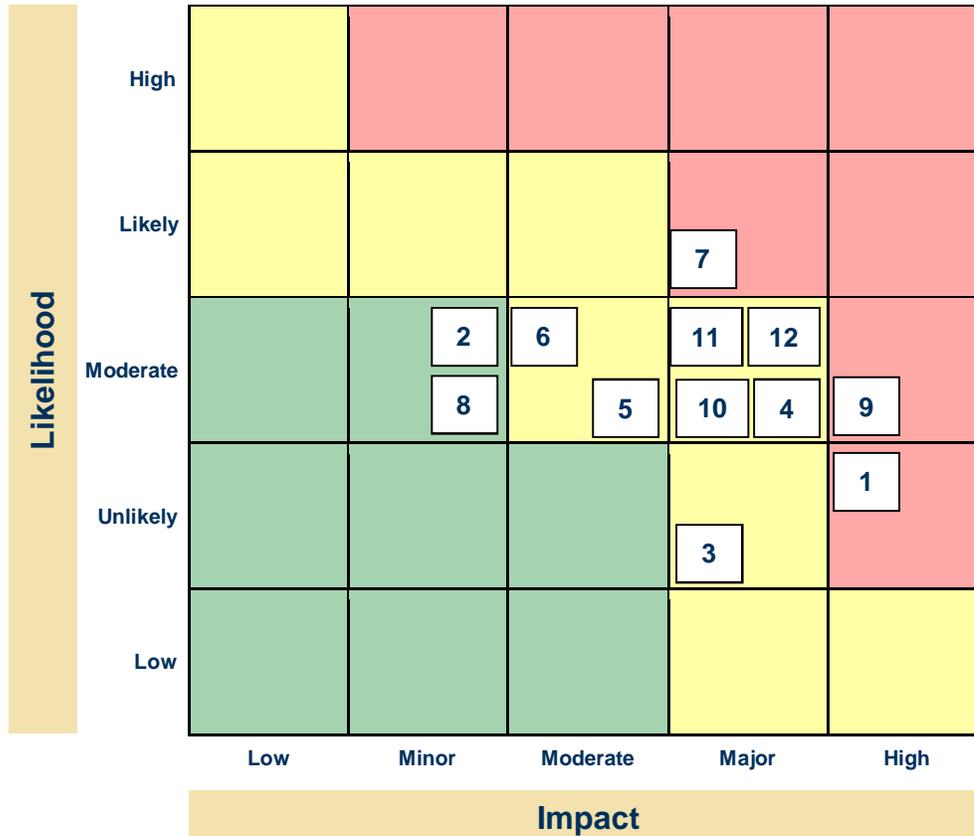
**DEPARTMENT OF JOB AND FAMILY SERVICES
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Temporary Assistance for Needy Families	✓	✓	AOS	AOS
2	Child Care	✓	✓	AOS	AOS/OIA
3	Child Support	✓	✓	AOS	AOS
4	Food Assistance	✓	✓	AOS/OIA	AOS
5	Adoption/Foster Care	✓	✓	AOS/OIA	AOS/OIA
6	Workforce Investment Act	✓	✓	AOS	AOS
7	Unemployment Compensation	✓	✓	AOS/OIA	AOS
8	Administration		✓		OIA
9	IT Vendor & Asset Management			OIA	
10	IT Application Development			OIA	
11	Business-IT Alignment			OIA	



**OHIO LOTTERY COMMISSION
FISCAL YEAR 2015 AUDIT PRIORITIES**

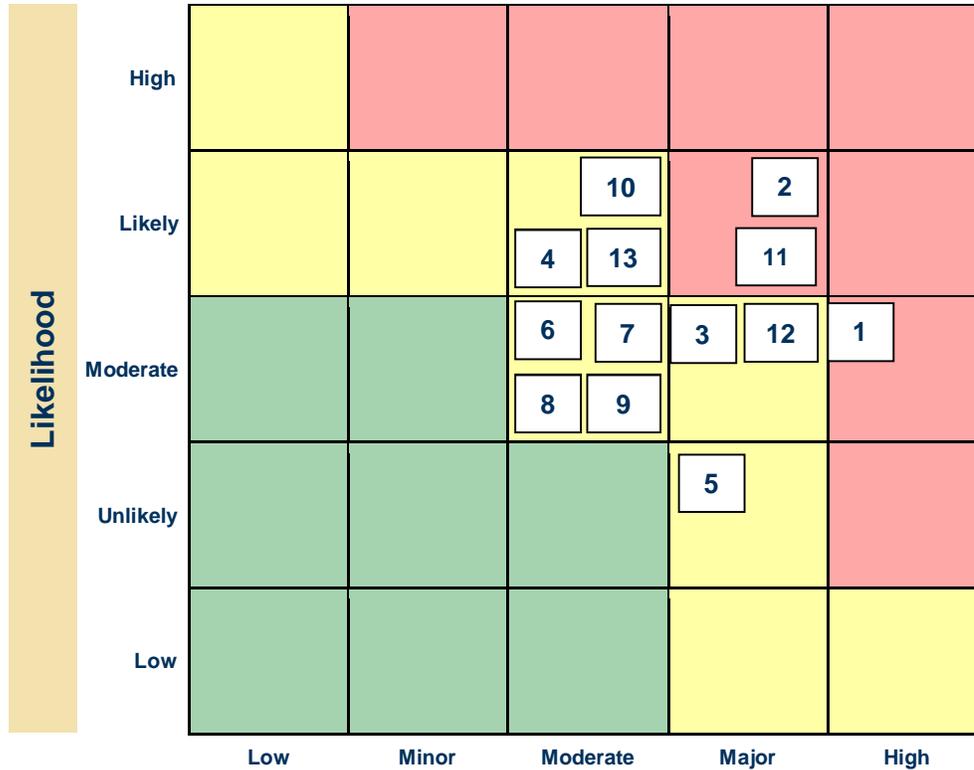


No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013*	2014	2015	2016
1	Revenues & Expenditures		✓	OLC/AOS	OIA/AOS
2	Asset Inventory		✓	OLC/AOS	AOS
3	Prize Payments		✓	OLC/AOS	AOS
4	Contracts		✓	OLC	OLC
5	Games and Drawings		✓	OLC/AOS	AOS
6	Compliance and Inspections		✓	OLC	OLC
7	Video Lottery Terminals		✓	OIA	
8	Customer Focused Areas			OLC	
9	IT General Controls		✓	AOS	AOS
10	IT Vendor & Asset Management			OLC	OIA
11	IT Application Development			OIA	OIA
12	Business-IT Alignment			OIA	

* OIA began audit activities in FY 14.



**DEPARTMENT OF MEDICAID
FISCAL YEAR 2015 AUDIT PRIORITIES**



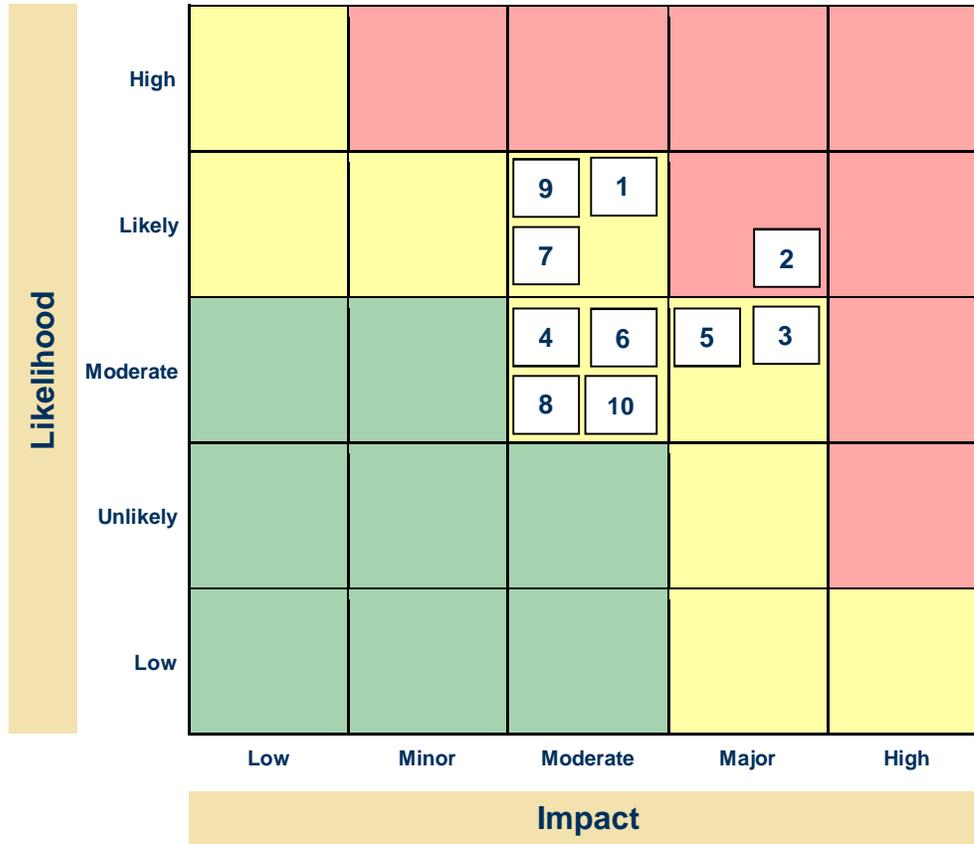
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No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013*	2014	2015	2016
1	Unified Medicaid		✓	AOS	AOS
2	Eligibility Determination Systems		✓	AOS	AOS
3	Fraud and Abuse			OIA	
4	Intermediate Care Facilities				
5	Home & Community Based Services				
6	Nursing Facilities				OIA
7	Managed Care		✓	AOS	AOS
8	Hospital Care Program		✓	AOS	AOS
9	Hospitals				OIA
10	Administration		✓		
11	IT Vendor & Asset Management			OIA	
12	IT Application Development			OIA	
13	Business-IT Alignment				OIA

* OIA began audit activities in FY 14.



**MENTAL HEALTH AND ADDICTION SERVICES
FISCAL YEAR 2015 AUDIT PRIORITIES**

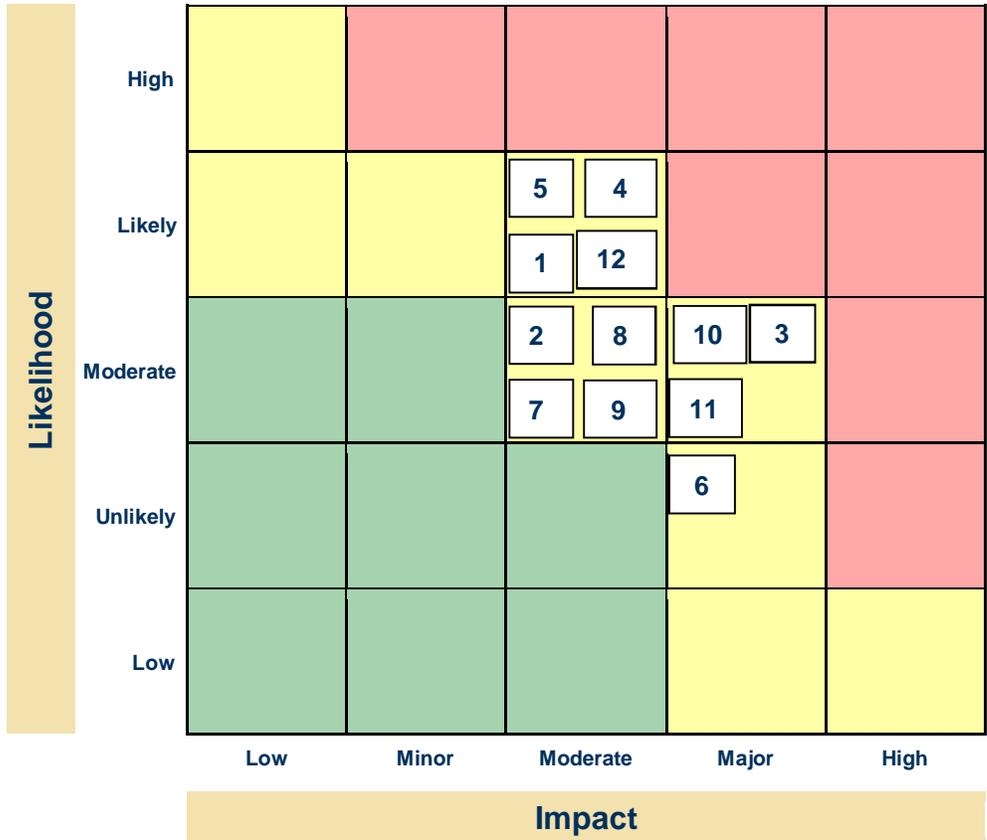


No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Central Administration		✓	OIA	OIA
2	Hospital Services	✓		OIA	
3	Office of Support Services		✓		
4	ADAMH Board Monitoring	✓			OIA
5	Federal Block Grants	✓	✓	AOS	AOS/OIA
6	Opiate Addiction Services		✓		
7	Problem Gambling Services				OIA
8	IT Vendor & Asset Management				
9	IT Application Development				OIA
10	Business-IT Alignment			OIA	

Note: In FY 2014, Departments of Mental Health and Alcohol & Drug Addiction merged to become the Department of Mental Health and Addiction Services.



**DEPARTMENT OF NATURAL RESOURCES
FISCAL YEAR 2015 AUDIT PRIORITIES**

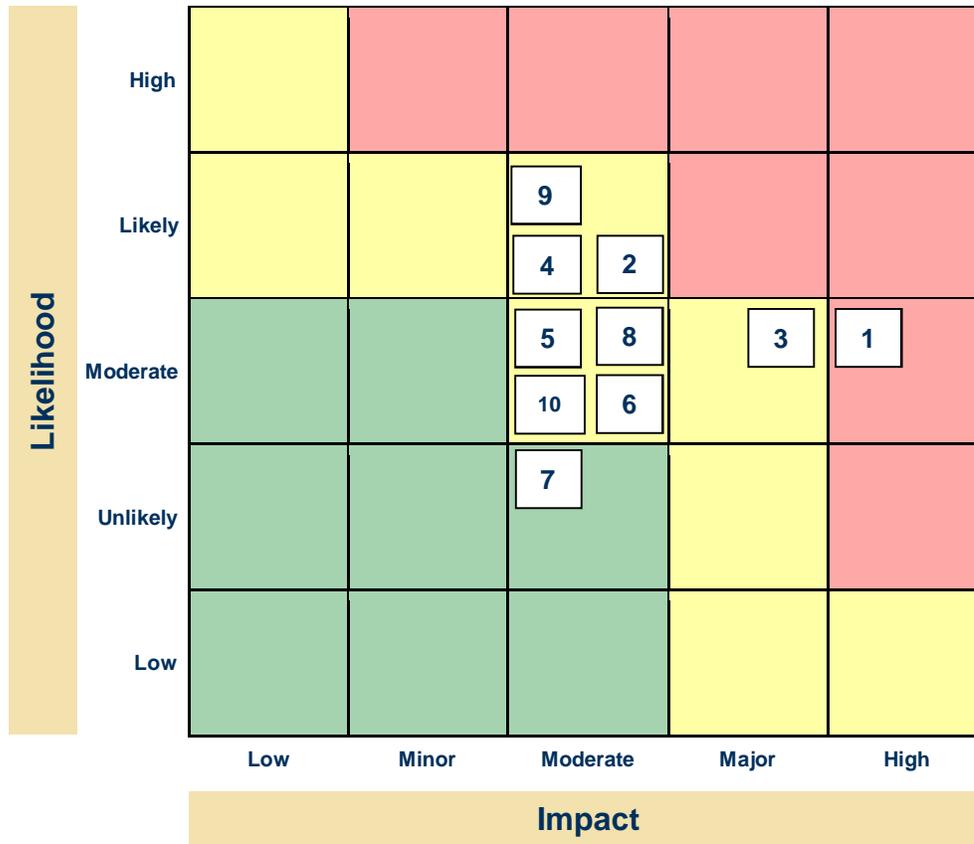


No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Mineral Resources Management			OIA	
2	State Forest				
3	State Park Operations	✓			OIA
4	Oil and Gas	✓	✓	OIA	
5	Soil and Water		✓		
6	Wildlife				
7	Watercraft	✓	✓		
8	General Administration			AOS	AOS
9	Asset Management				OIA
10	IT Vendor & Asset Management				
11	IT Application Development				OIA
12	Business-IT Alignment			OIA	

Note: The Auditor of State plans to perform a general revenue audit each fiscal year.



**OPPORTUNITIES FOR OHIOANS WITH DISABILITIES
FISCAL YEAR 2015 AUDIT PRIORITIES**

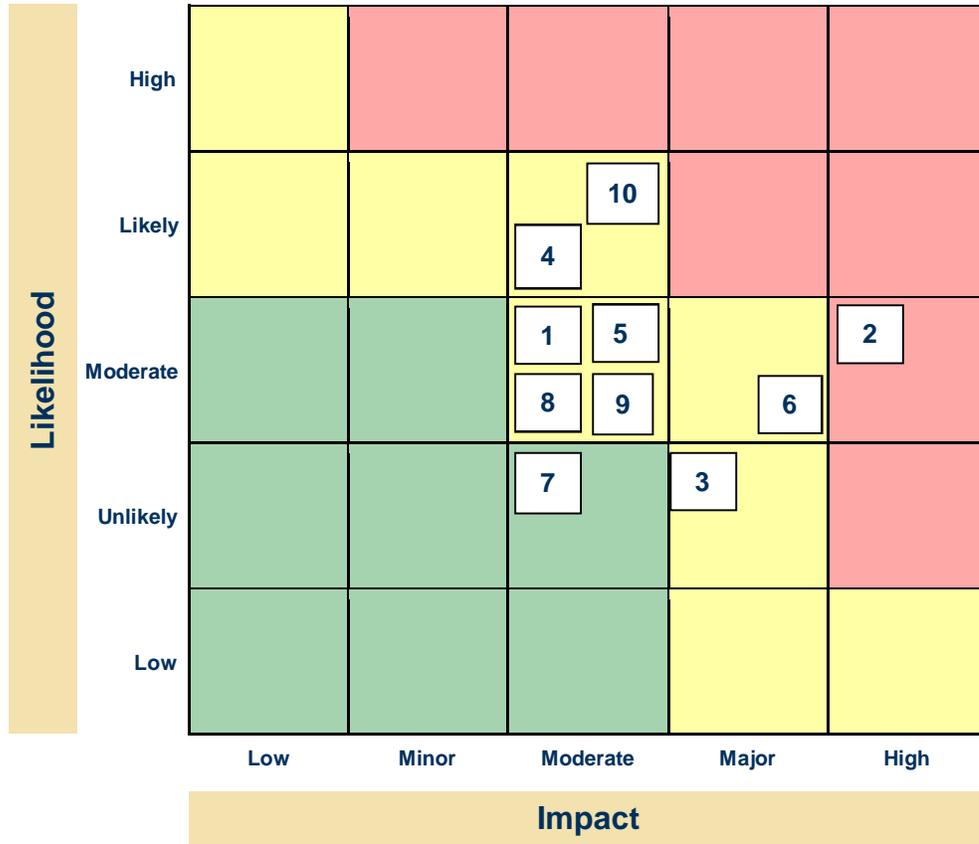


No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013*	2014	2015	2016
1	Vocational Rehabilitation		✓		OIA
2	Independent Living				
3	Disability Determination		✓		OIA
4	Program Management			OIA	
5	General Administration			OIA	AOS
6	Personal Services				
7	VR Program Funding		✓		
8	IT Vendor & Asset Management				
9	IT Application Development		✓		
10	Business-IT Alignment			OIA	

* OIA began audit activities in FY 14.



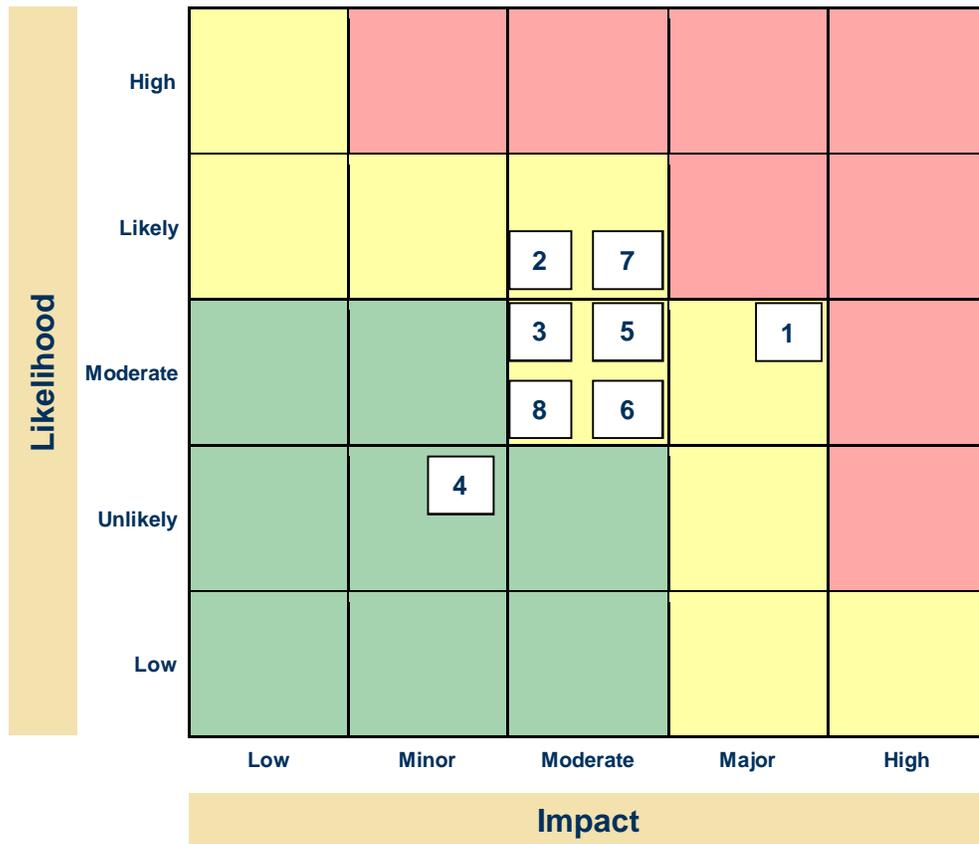
**DEPARTMENT OF PUBLIC SAFETY
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Traffic Safety/Education	✓	✓	AOS	
2	Bureau of Motor Vehicles	✓		OIA	
3	State Highway Patrol		✓	OIA	OIA
4	Homeland Security			AOS	
5	Emergency Medical Services	✓			
6	Emergency Management Agency		✓		
7	Criminal Justice Services		✓		
8	IT Vendor and Asset Management				OIA
9	IT Application Development			OIA	
10	Business-IT Alignment			OIA	



**PUBLIC UTILITIES COMMISSION
FISCAL YEAR 2015 AUDIT PRIORITIES**

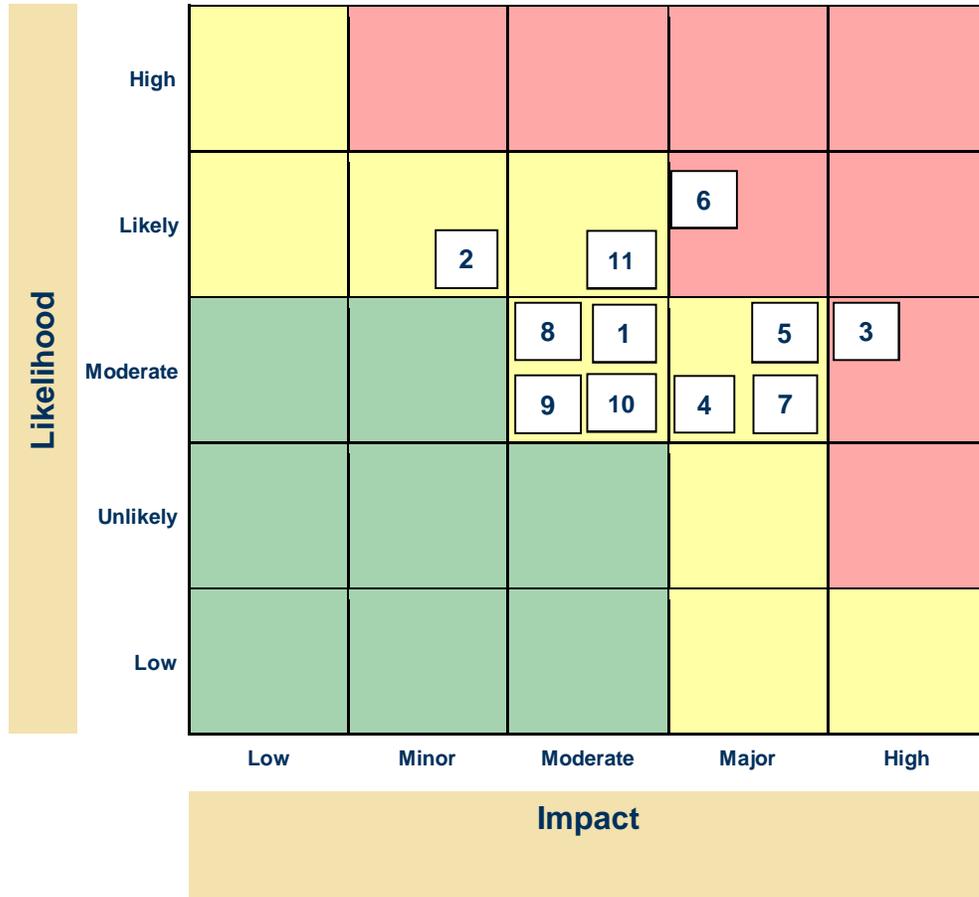


No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013*	2014	2015	2016
1	Utility Regulation		✓	OIA	OIA
2	Transportation Regulation				
3	General Administration		✓		AOS/OIA
4	Customer Complaints			OIA	
5	Motor Carrier Enforcement				
6	IT Vendor and Asset Management				
7	IT Application Development				
8	Business-IT Alignment				

* OIA began audit activities in FY 14.



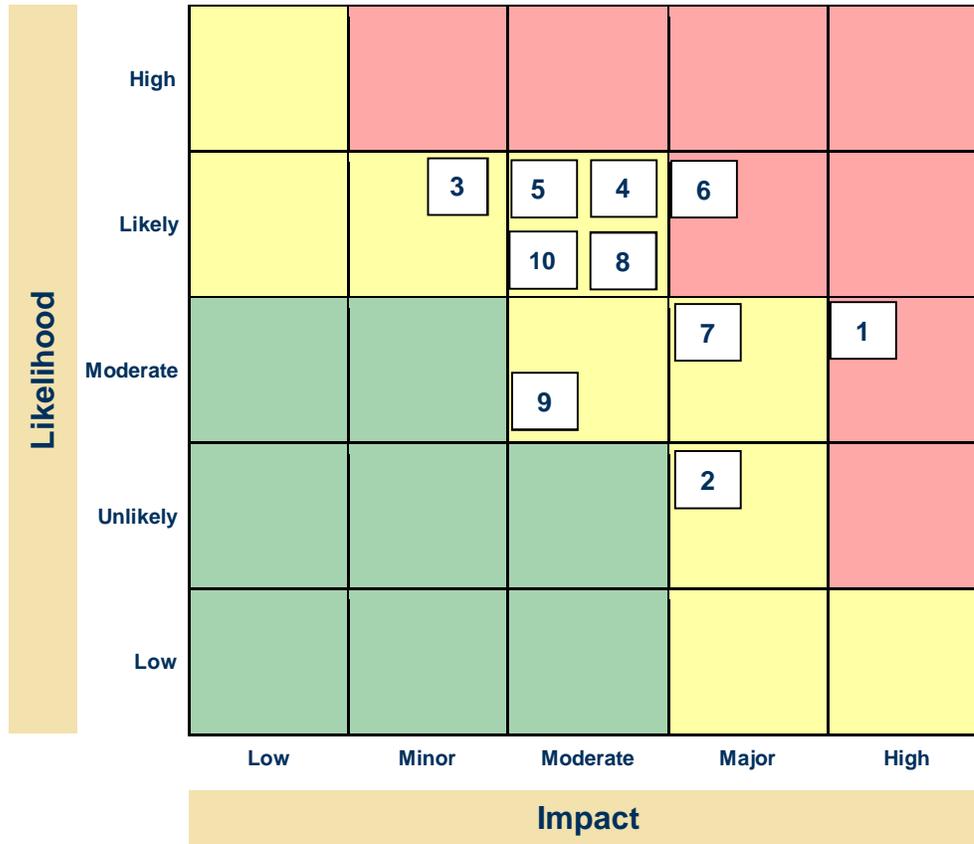
**BOARD OF REGENTS
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Scholarship, Grant & Loan Programs	✓			OIA
2	Post-Secondary Adult Career–Tech Ed.				OIA
3	State Share of Instruction	✓	✓	OIA/AOS	AOS
4	Adult Basic and Literacy Education				OIA
5	Ohio College Opportunities Grant		✓		
6	Ohio Tuition Trust Authority	✓	✓	AOS/OIA	
7	Contract/Vendor Management			OIA	
8	Shared IT Networks		✓	OIA	OIA
9	IT Vendor and Asset Management				
10	IT Application Development				
11	Business-IT Alignment				



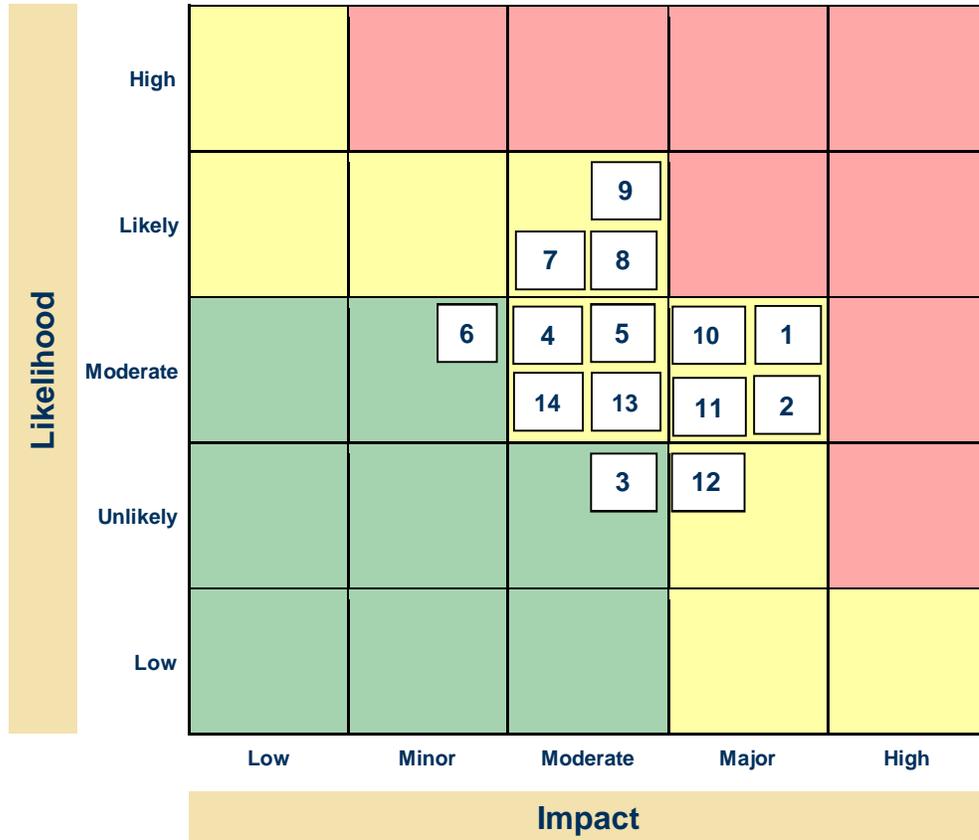
**DEPARTMENT OF REHABILITATION AND CORRECTION
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Institutional Operations – Payroll	✓	✓	AOS	AOS
2	Institutional Operations/Admin/Non-payroll	✓	✓	AOS/OIA	OIA
3	Community Nonresidential Programs			OIA	
4	Community Residential Programs				
5	Parole and Community Operations				
6	Institution Medical Services				OIA
7	Ohio Penal Industries	✓		AOS	
8	IT Vendor & Asset Management				
9	IT Application Development		✓		
10	Business-IT Alignment			OIA	



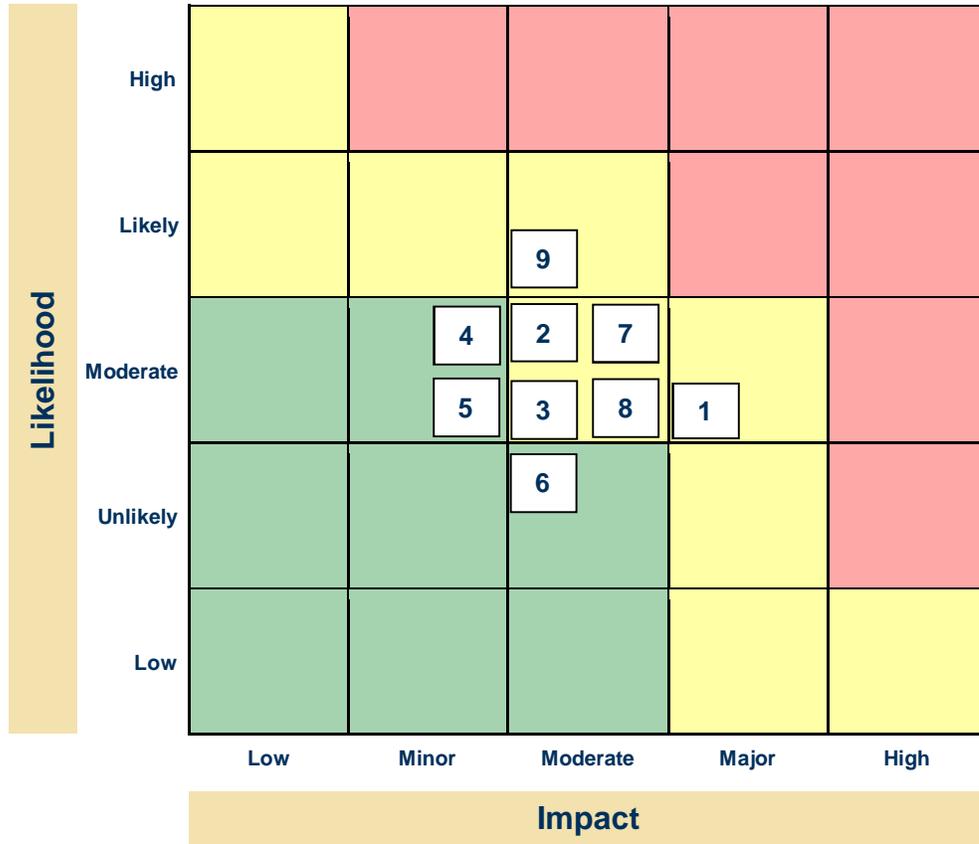
**DEPARTMENT OF TRANSPORTATION
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Highway Construction – State Managed	✓	✓	AOS	AOS
2	Highway Construction – Local Managed				OIA
3	Highway Construction – Infrastructure Bank			AOS	AOS
4	Transportation Planning and Research				
5	Public Transportation				
6	Rail Transportation				
7	Aviation	✓			
8	Administration	✓	✓		OIA
9	Turnpike Bond Revenue (new)			OIA	
10	State Infrastructure Assets	✓	✓	AOS	AOS
11	District Operations		✓		
12	IT Vendor and Asset Management				
13	IT Application Development			OIA	
14	Business-IT Alignment			OIA	



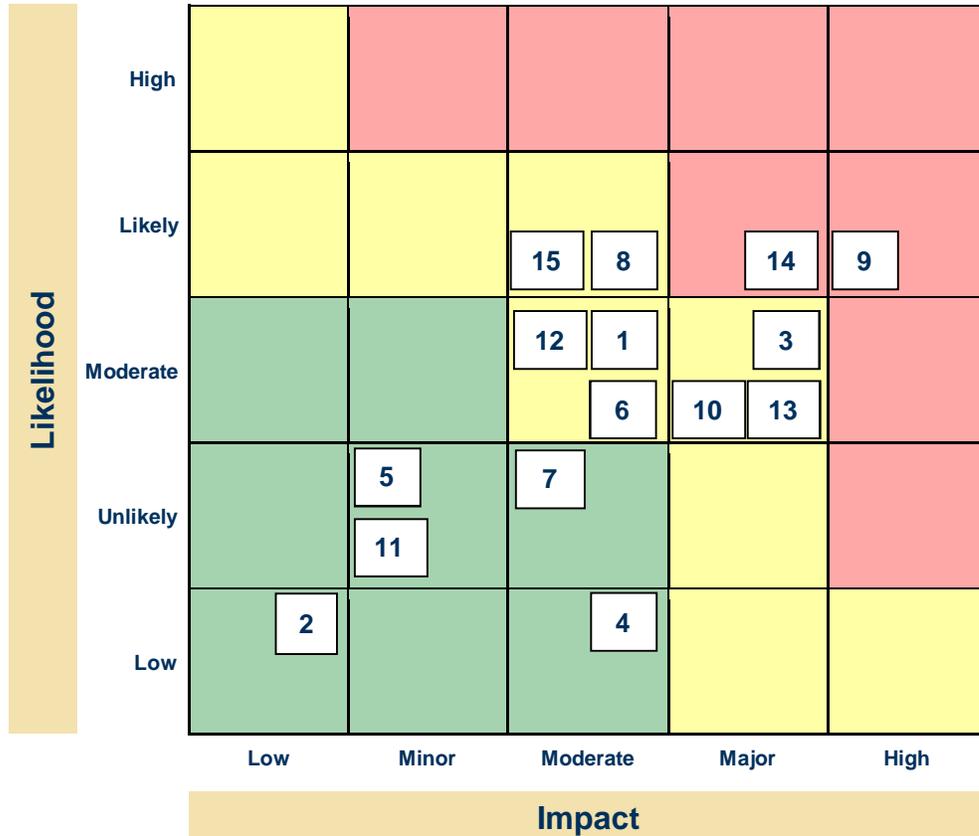
**DEPARTMENT OF VETERANS SERVICES
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Sandusky Veterans Facility – Payroll	✓	✓	AOS	AOS
2	Sandusky Veterans Facility – Non-payroll	✓	✓	AOS	AOS
3	Georgetown Veterans Facility – Payroll	✓	✓	AOS	AOS
4	Georgetown Veterans Facility – Non-payroll	✓	✓	AOS	AOS
5	State Operations	✓		OIA	
6	Veterans Bonus Program				
7	IT Vendor and Asset Management				
8	IT Application Development				
9	Business-IT Alignment				



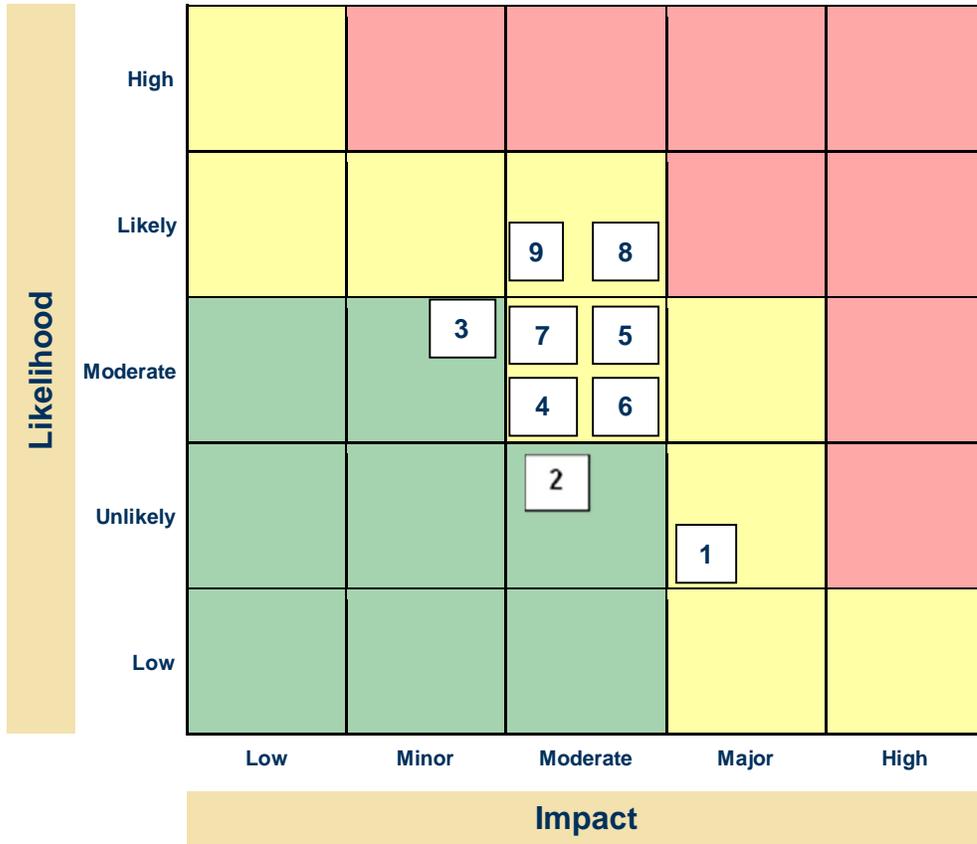
**BUREAU OF WORKERS' COMPENSATION
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	Revenues: Fees and Assessments	✓	✓	AOS/BWC	AOS/BWC
2	Capital Assets		✓		BWC
3	Cash and Investments	✓	✓	AOS/BWC	AOS/BWC
4	Payroll		✓		BWC
5	Expenditures	✓	✓	AOS	AOS
6	Claims	✓	✓	BWC	BWC
7	General Accounting & Financial Reporting	✓	✓	AOS/BWC	AOS/BWC
8	Self-Insurance	✓	✓	BWC	BWC
9	Reserves/Actuarial Reviews	✓	✓	AOS/BWC	AOS/BWC
10	Rate-Making	✓	✓	BWC	BWC
11	Fraud & Investigative Services		✓		BWC
12	Managed Care Organizations	✓	✓	BWC	BWC
13	IT Vendor & Asset Management				OIA
14	IT Application Development	✓	✓	OIA	OIA
15	Business-IT Alignment			OIA	



**DEPARTMENT OF YOUTH SERVICES
FISCAL YEAR 2015 AUDIT PRIORITIES**



No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2013	2014	2015	2016
1	State Correctional Facilities – Payroll	✓	✓	AOS	AOS
2	State Correctional Facilities – Non-payroll	✓	✓	AOS/OIA	AOS
3	Parole Operations				
4	County Community Correctional Facilities	✓			
5	Local Court Subsidies/Reclaim		✓		
6	Administrative Operations	✓	✓	AOS/OIA	AOS/OIA
7	IT Vendor & Asset Management				
8	IT Application Development				
9	Business-IT Alignment			OIA	



APPENDIX B

AGENCY FY 15 APPROPRIATIONS VS. BUDGETED AUDIT HOURS

	Agency Name	Appropriations All Funds (in millions) FY 15	%	Estimated Audit Hours	%
1	Adjutant General	\$45	0.2%	429	1.3%
2	Department of Administrative Services	\$2,179	8.7%	2,786	8.5%
3	Department of Aging	\$93	0.4%	429	1.3%
4	Department of Agriculture	\$52	0.2%	500	1.5%
5	Office of Budget and Management	\$28	0.1%	700	2.1%
6	Ohio Casino Control Commission	\$14	0.1%	571	1.7%
7	Department of Commerce	\$180	0.7%	1,714	5.2%
8	Development Services Agency	\$1,251	5.0%	1,714	5.2%
9	Department of Developmental Disabilities	\$2,695	10.8%	1,071	3.3%
10	Environmental Protection Agency	\$206	0.8%	643	2.0%
11	Department of Health	\$653	2.6%	1,429	4.3%
12	Department of Insurance	\$37	0.1%	571	1.7%
13	Department of Job and Family Services	\$3,541	14.2%	5,000	15.2%
14	Lottery Commission	\$334	1.3%	857	2.6%
15	Department of Mental Health & Addiction Services	\$686	2.8%	643	2.0%
16	Department of Natural Resources	\$326	1.3%	714	2.2%
17	Opportunities for Ohioans with Disabilities	\$249	1.0%	1,071	3.3%
18	Department of Public Safety	\$686	2.8%	2,143	6.5%
19	Public Utilities Commission	\$53	0.2%	571	1.7%
20	Board of Regents	\$2,434	9.8%	1,071	3.2%
21	Department of Rehabilitation and Correction	\$1,578	6.3%	714	2.2%
22	Department of Taxation	\$2,384	9.6%	1,857	5.6%
23	Department of Transportation	\$3,126	12.5%	2,143	6.5%
24	Department of Veterans Services	\$91	0.4%	429	1.3%
25	Bureau of Workers' Compensation (incl. revenues)	\$1,771	7.1%	2,500	7.6%
26	Department of Youth Services	\$248	1.0%	643	2.0%
	Total Not Including Medicaid	\$23,050	100%	32,914	100%
27	Department of Medicaid	\$23,431		1,857	
	Total Audit Plan - Budgeted Hours			34,771	