OBM | Office of Internal Audit

OBM Office of Internal Audit

Fiscal Year 2017 Annual Audit Plan

July 1, 2016 – June 30, 2017

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Mission Statement

The OBM Office of Internal Audit (OIA) will provide independent, objective assurance and consulting activities designed to improve operations of state agencies obtaining OIA services. OIA will help these state agencies accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

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 2017. 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 Department of Education, 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 2017 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 services 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. 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 (governance, application development, security controls, and operations).

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. In the FY 17 audit plan, OIA is expanding its 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 2017 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. (*Agency input obtained*)
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. (*Agency input obtained*)
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.

Based upon discussions with the Auditor of State (AOS), we have identified those areas planned for audit by the AOS in fiscal year 2017. 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 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 Directors' 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 34,850 audit hours (20,343 financial, 13,157 IT and 1,350 Integrated) will be necessary. The chart below depicts that OIA has the appropriate mix of financial and IT audit staff to complete 92% of the planned engagements for fiscal year 2017.

	OIA Employees (total hours/25 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: Administrative time [non-bill (payroll, email, supervision), breaks (union employees)]	(270)	(13%)
Less: Staff Replacement/Turnover (est. 3/yr.)	(60)	(3%)
Budgeted Hours/Employee	1,300	63%
x 25 employees	x 25	
Estimated Audit Hours before Remediation	32,500	
Less: Estimated Remediation Hours for Prior Year Projects	(425)	
Total estimated audit hours available	**32,075**	
Total estimated plan hours	**34,850**	
Estimated resources available to complete plan	**92%**	

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 2017 are included below:

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
1	ADJ	Armory Board Funds	Medium	Assurance: Review agency controls over the armory board funds.
2	ADJ	Central Administration	Small	Consulting: Assess agency processes for state active duty.
3	ADJ	Central Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
4	DAS	General Services - Operations	Large	Assurance: Review agency controls over the General Services Division's procurement process
5	DAS	General Services - Operations	Medium	Assurance: Review agency controls and processes for parking garage revenues
6	DAS	State Employee Health Benefit Fund	Medium	Consulting: Review design of controls for process changes related to the disability program
7	DAS	Enterprise Applications/ Online Services	Medium	Consulting: Assess process for establishing user roles for the liquor modernization project
8	DAS	General Services - Operations	Small	Assurance: Through the utilization of automation, assess payment card anomalies

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
9	DAS	IT Infrastructure Services	Medium	Assurance: Assess the network security and IT perimeter security
10	DAS	IT Infrastructure Services	Medium	Assurance: Assess the incident management process
11	DAS	IT Infrastructure Services	Medium	Consulting: Assess IT process at the SOCC
12	DAS	IT Security & Privacy	Small	Assurance: Through the utilization of automation, review user access to State systems
13	DAS	IT Operations	Small	Consulting: Assess the terms and conditions regarding audit requirements for IT enterprise agreements
14	AGE	Administration	Medium	Assurance: Review controls over the revenue handling process
15	AGE	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
16	AGE	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
17	AGR	Plants & Pesticides	Medium	Assurance: Review controls over pesticide licensing program
18	AGR	IT Operations	Small	Consulting: Assess agency controls over vendor management
19	OBM	Shared Services/ Accounting Operations	Medium	Consulting: Assess processes and controls in conjunction with 17 Green Book principles
20	OBM	Financial Reporting	Small	Consulting: Assist in process of tracking eligible tax awards for GASB 77 implementation
21	OBM	Accounting Operations	Small	Assurance: Through the utilization of automation, assess payment card anomalies
22	OBM	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
23	COM	State Fire Marshal	Medium	Assurance: Assess controls over various procedures within the Fire Prevention section
24	COM	Liquor Control	Large	Assurance: Review of controls over liquor permitting (continued from FY 16)
25	COM	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
26	COM	IT Security Controls	Medium	Assurance: Review alignment with NIST assurance controls for moderate risk organizations (selective)
27	COM	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
28	DDD	Community Medicaid/ Developmental Centers	Medium	Assurance: Review agency controls over direct bill for Medicaid
29	DDD	DD Council	Medium	Consulting: Review policies and procedures for monitoring subrecipients under the new federal uniform guidance
30	DDD	Operating and Services	Small	Assurance: Through the utilization of automation, assess payment card anomalies
31	DDD	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
32	DDD	IT Operations	Small	Consulting: Assess the implementation of a new data classification policy
33	DSA	Federal Programs-Comm. Services Division/ IT Operations	Large	Consulting: Assess agency controls over OCEAN system
34	DSA	Financial Incentives-Grants	Small	Assurance: Review agency controls over the road work development program
35	DSA	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
36	ODE	Finance and Other Operations	Large	Consulting: Assess five year forecasting at traditional and community schools
37	ODE	School Foundation/ IT Operations	Large	Consulting: Evaluate data collection, compilation, and change management processes with EMIS
38	ODE	Student Support/Education Options	Medium	Assurance: Review the process and controls for the Cleveland Scholarship Program
39	ODE	Student Support/Education Options	Small	Consulting: Assess requirements for Child Nutrition federal programs
40	ODE	Curriculm & Assessment	Small	Consulting: Evaluate the co-payment structure for the Early Childhood Education program and identify recommendations for alignment with the JFS Publicly Funded Child Care program
41	ODE	Finance and Other Operations	Small	Assurance: Through the utilization of automation, assess payment card anomalies
42	EPA	Administration	Medium	Assurance: Review agency controls over the online payment system (e.g., eBiz)
43	EPA	IT Security Controls	Small	Assurance: Review alignment with NIST assurance controls for low risk organizations
44	EPA	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
45	ODH	Health Improvement and Wellness	Medium	Assurance: Assess controls over key processes for the Tobacco Prevention and Cessation program
46	ODH	Health Improvement and Wellness	Medium	Assurance: Assess controls over key processes for the Creating Healthy Communities program
47	ODH	Preventative and Preparedness	Medium	Assurance: Assess controls and monitoring over the Local Health Departments
48	ODH	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
49	ODH	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
50	DHE	Scholarship, Grant, and Loan Programs	Medium	Assurance: Review controls over key processes for the Office of Program Development and Approval
51	DHE	Post-Secondary Adult Career-Tech Education	Medium	Assurance: Review controls over key processes for the Ohio Technical Center HEI Certificate and Credentials Reporting System
52	DHE	Scholarship, Grant & Loan Programs	Small	Assurance: Through the utilization of automation, assess payment card anomalies
53	DHE	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
54	ODI	IT Security Controls	Small	Assurance: Assess alignment with NIST assurance controls for moderate risk organizations
55	ODI	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
56	JFS	Unemployment Insurance	Large	Consulting: Evaluate the trade adjustment assistance program's transition
57	JFS	Administration	Large	Consulting: Evaluate and provide an inventory of the agency's program integrity reporting output
58	JFS	IT Security Controls/ Child Support	Extra Large	Consulting: Evaluate agency controls to secure federal tax information data within SETS (IRS inspection reports)
59	JFS	IT Security Controls/ TANF and Food Stamps	Extra Large	Consulting: Evaluate agency controls to secure federal tax information data within CRIS-e (IRS inspection reports)
60	JFS	IT Security Controls/ Unemployment Insurance	Medium	Consulting: Evaluate agency controls to secure treasury offset program and federal tax information data within OJI (IRS inspection reports) [cont'd from FY 16]
61	JFS	IT Operations/ IT Security Controls	Large	Assurance: IT general controls for internal mainframe systems (CCIDS, OJI backend, Source Code Library)

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
62	JFS	Child Care	Small	Consulting: Evaluate the co-payment structure for the Publicly Funded Child Care program and identify recommendations for alignment with the ODE Early Childhood Education program (continued from FY 16)
63	JFS	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
64	OLC	Assurance Review (CY 15)	Small	Assurance: Submit review performed in FY 16 to State Audit Committee in September 2016 meeting
65	OLC	Administration	Small	Assurance: Submit Merchandise Inventory project performed in FY 16 for State Audit Committee review in September 2016 meeting
66	OLC	Administration	Medium	Assurance: Assess controls and processes over the supply inventory
67	OLC	Compliance and Inspections	Medium	Assurance: Assess controls over the Retailer Compliance and Inspection Program
68	OLC	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
69	OLC	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
70	OLC	Assurance Review	Small	Assurance: Perform review of Lottery's Internal Audit's audit function, including audit plan, working papers, reports, and other items to support OIA audit reliance.
71	ODM	IT Operations	Medium	Consulting: Assess vendor file distribution between MITS and OAKS
72	ODM	IT Operations/Administration	Medium	Consulting: Evaluate data inputs, outputs and accuracy for vendor file distribution between MITS and OAKS
73	ODM	IT Security Controls	Medium	Assurance: Assess IT general controls over MITS

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
74	ODM	Managed Care	Large	Consulting: Assess the agency's processes after full integration into the State's eligibility system
75	ODM	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
76	MHA	Central Administration/ Hospital Services	Small	Assurance: Review agency controls over hospital's payroll processing (cont'd from FY 16)
77	MHA	Ohio Pharmacy Service Center	Medium	Assurance: Review agency controls over the Ohio Pharmacy Service Center's inpatient and outpatient services
78	MHA	Central Adminstration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
79	MHA	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
80	MHA	IT Security Controls	Small	Assurance: Assess alignment with NIST assurance controls for moderate risk organizations
81	DNR	Oil and Gas/ Geo Survey	Medium	Assurance: Assess agency control processes within the Division of Geological Survey
82	DNR	General Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
83	DNR	IT Security Controls	Medium	Assurance: Assess alignment with NIST assurance controls for moderate risk organizations
84	DNR	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
85	OOD	Vocational Rehabilitation/ IT Security Controls	Medium	Assurance: Review the agency's access, assignment of roles and functions for the AWARE system
86	OOD	Independent Living	Medium	Assurance: Review the agency controls over the Independent Living Services for Older Blind
87	OOD	General Administration	Medium	Consulting: Evaluate the incentives and use of fuel cards for Vocational Rehabilitation program

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
88	OOD	General Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
89	DPS	Bureau of Motor Vehicles	Medium	Consulting: Evaluate accuracy and validity of reports generated by the new ATPS application (cont'd from FY 16)
90	DPS	Bureau of Motor Vehicles	Large	Consulting: Assess controls over the Deputy Registrar credit card processing process
91	DPS	State Highway Patrol	Medium	Assurance: Review agency controls over the stockroom inventory
92	DPS	Traffic Safety-Education/ Bureau of Motor Vehicles/ State Highway Patrol/ Homeland Security/ Emergency Medical Services/ Emergency Management Agency/ and Criminal Justice Services	Small	Assurance: Through the utilization of automation, assess payment card anomalies
93	DPS	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
94	PUC	Assessments	Small	Consulting: Evaluate control design over the data collection process for annual assessments (cont'd from FY 16)
95	PUC	General Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
96	PUC	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
97	PUC	IT Security Controls	Medium	Assurance: Assess alignment with NIST assurance controls for moderate risk organizations
98	DRC	Institutional Operations - Payroll	Medium	Assurance: Assess controls over key payroll processes utilizing the recently implemented enterprise version of Kronos
99	DRC	IT Operations	Medium	Consulting: Review IT operating processes, including overall organization, and compare to IT industry standards

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
100	TAX	Gasoline Excise	Large	Assurance: Review agency controls over processing the motor fuel tax returns in STARS
101	TAX	Personal Income Taxes	Medium	Assurance: Review the agency controls over identify fraud for the personal income taxes
102	TAX	Revenue Distribution	Small	Assurance: Through the utilization of automation, assess payment card anomalies
103	TAX	IT Operations	Medium	Consulting: Assess IT process for the STARS knowledge transfer
104	TAX	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
105	DOT	Administration	Small	Assurance: Submit Contract Management project performed in FY 16 for State Audit Committee review in September 2016 meeting
106	DOT	Adminstration	Small	Assurance: Submit Voyager Card/Fleet project performed in FY 16 for State Audit Committee review in September 2016 meeting
107	DOT	Administration	Medium	Assurance: Review controls over the agency's third party inventory vendor
108	DOT	Highway Construction – Local Managed	Large	Assurance: Evaluate consistency and adequacy of controls over local managed contracts
109	DOT	IT Operations	Small	Consulting: Assess agency controls over IT vendor management
110	DOT	IT Operations/ IT Security Controls	Large	Assurance: IT general controls for internal mainframe systems
111	DOT	Administration	Small	Assurance: Through the utilization of automation, assess payment card anomalies
112	DVS	Sandusky and Georgetown Veterans Facilities – Payroll	Medium	Assurance: Assess controls over key Payroll processes
113	DVS	State Operations	Small	Assurance: Through the utilization of automation, assess payment card anomalies
114	DVS	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems

#	Agency	Audit Area	Level of Effort	Description of Audit Scope
115	BWC	IT Security Controls	Small	Consulting: Submit SANS Top 20 security controls project performed in FY 16 for State Audit Committee review in September 2016 meeting
116	BWC	Expenditures	Small	Assurance: Through the utilization of automation, assess payment card anomalies
117	BWC	IT Operations	Large	Assurance: Assess agency controls over IT vendor management
118	BWC	IT Operations	Large	Consulting: Evaluate system development (CORE) and implementation activities
119	BWC	IT Operations	Medium	Assurance: Assess IT testing processes
120	BWC	IT Security Controls	Small	Assurance: Review compliance with data classification policies
121	BWC	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems
122	BWC	Assurance Review	Small	Assurance: Perform review of BWC Internal Audit's audit function, including audit plan, working papers, reports, and other items to support OIA audit reliance.
123	DYS	Administrative Operations	Medium	Consulting: Evaluate the incentives and use of fuel cards for various programs
124	DYS	Administrative Operations	Small	Assurance: Through the utilization of automation, assess payment card anomalies
125	DYS	IT Security Controls	Medium	Assurance: Assess alignment with NIST assurance controls for low risk organizations
126	DYS	IT Security Controls	Small	Assurance: Through the utilization of automation, review user access to State systems

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 2017 AUDIT PRIORITIES
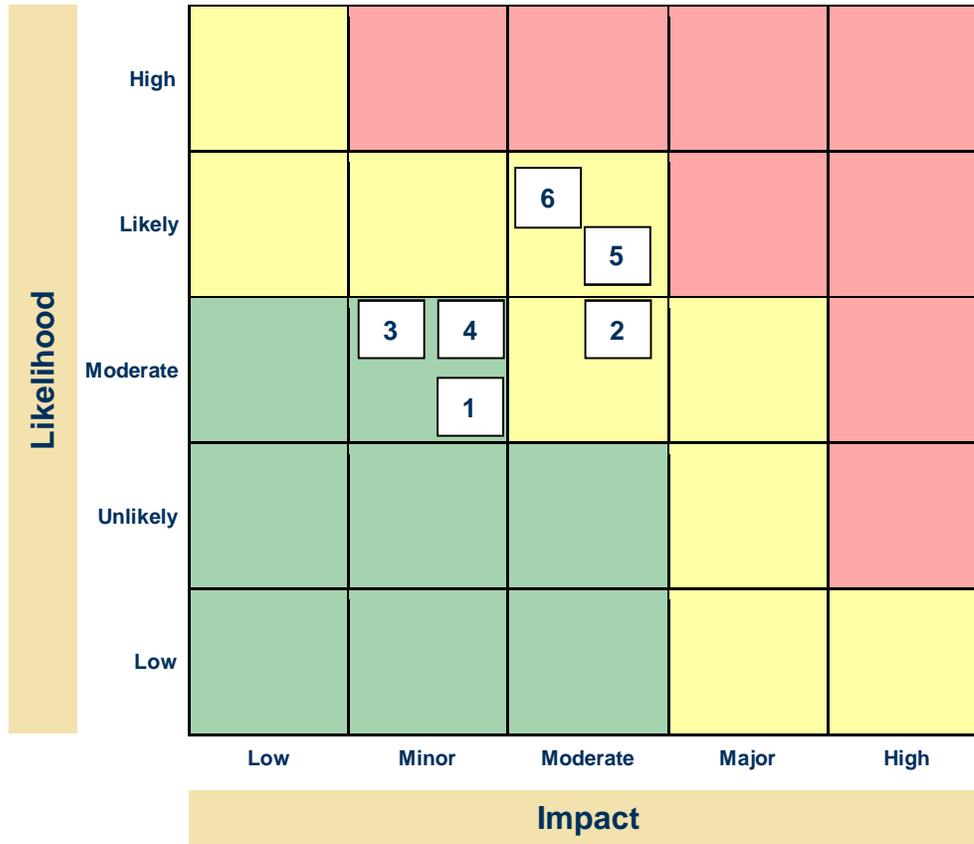
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Billeting and Event Facilities	ü		AOS	AOS
2	Central Administration	ü	ü	OIA/AOS	OIA/AOS
3	National Guard Scholarship Program		ü		
4	Property Management	ü			OIA
5	Armory Board Funds			OIA	
6	Fleet Management				OIA

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.

DEPARTMENT OF ADMINISTRATIVE SERVICES
FISCAL YEAR 2017 AUDIT PRIORITIES

Likelihood (vertical axis): High, Likely, Moderate, Unlikely, Low

Risk matrix positions:
- 10 — Likely / Moderate
- 12, 13, 3 — Likely (lower) / Moderate–Major
- 6 — Moderate / Minor
- 7, 8, 4, 5 — Moderate / Moderate–Major
- 2, 11, 9 — Moderate (lower) / Moderate–Major
- 1 — Unlikely / Major

Impact (horizontal axis): Low, Minor, Moderate, Major, High
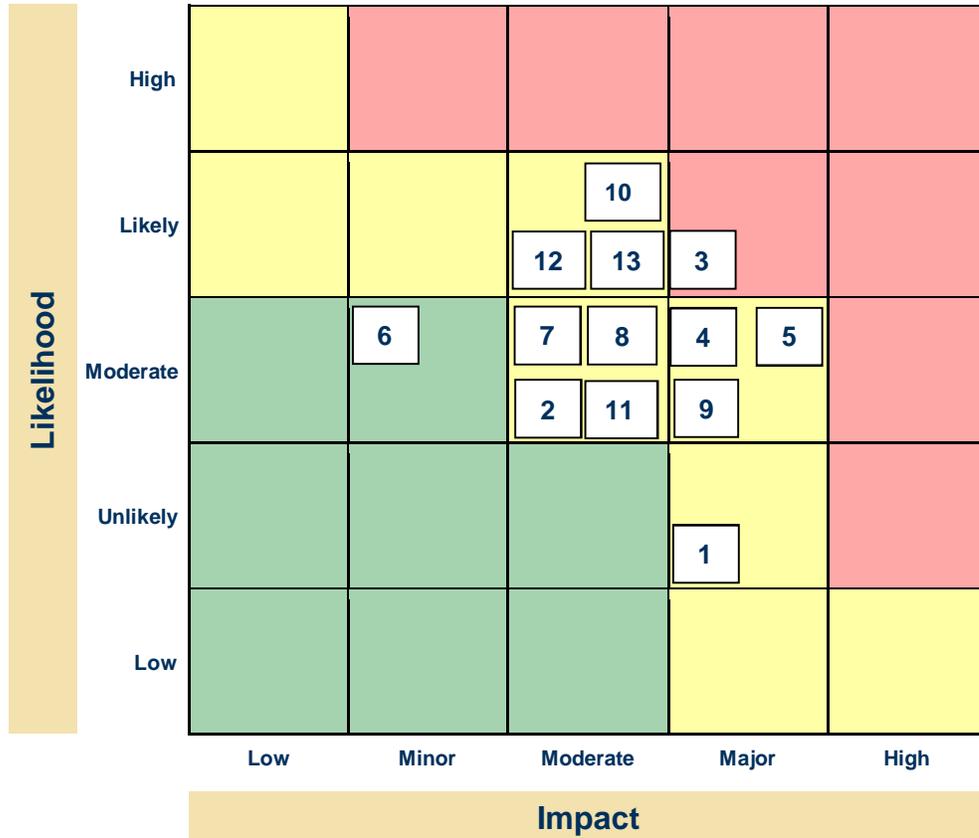
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Payroll	ü			
2	State Employee Health Benefit Fund			OIA	
3	Enterprise Applications/Online Svcs	ü	ü	OIA/AOS	OIA
4	General Services - Operations	ü	ü	OIA	
5	IT Infrastructure Services	ü	ü	OIA/AOS	AOS
6	Central Services Agency	ü	ü	AOS	AOS
7	HR / Equal Opportunity Division			AOS	
8	Operations	ü	ü	AOS	AOS
9	SWCAP	ü	ü	AOS	AOS
10	IT Security & Privacy		ü	OIA	OIA
11	IT Governance		ü		
12	IT Operations		ü	OIA	
13	IT Security Controls				OIA

DEPARTMENT OF AGING
FISCAL YEAR 2017 AUDIT PRIORITIES
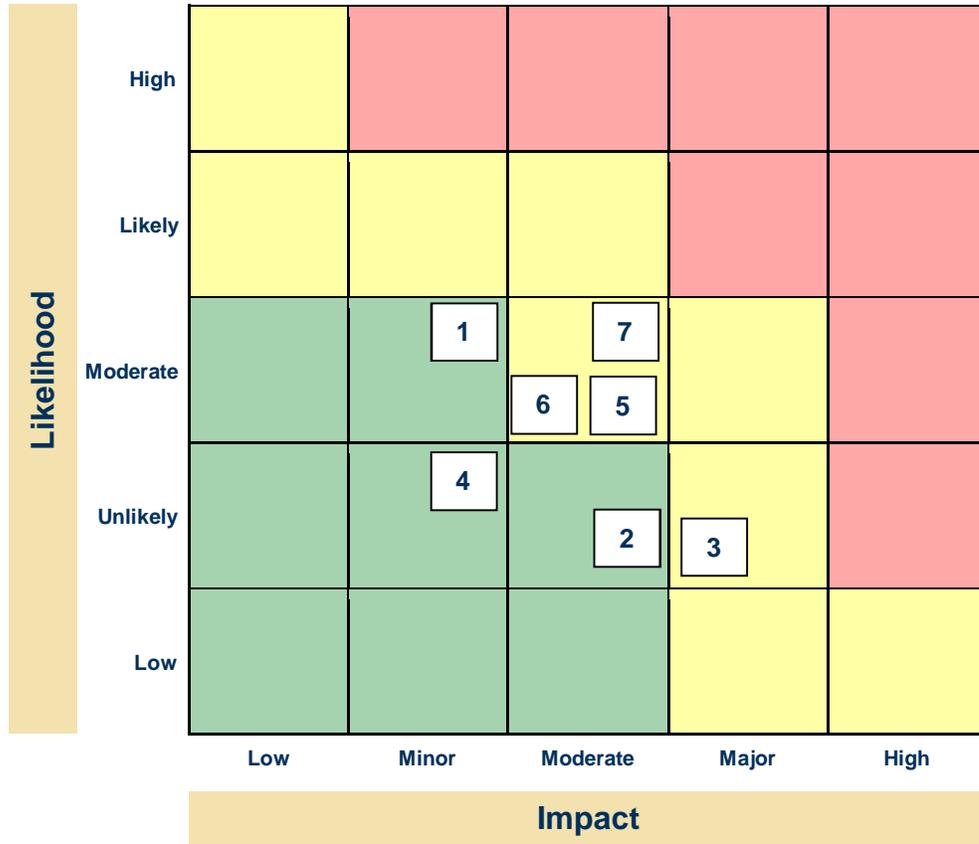
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Senior Comm Svcs/Medicaid Waiver	ü			
2	Federal Aging Grants			AOS	
3	Area Agencies on Aging				OIA
4	Administration	ü	ü	OIA/AOS	
5	IT Governance	ü			
6	IT Operations				OIA
7	IT Security Controls		ü	OIA	

DEPARTMENT OF AGRICULTURE
FISCAL YEAR 2017 AUDIT PRIORITIES
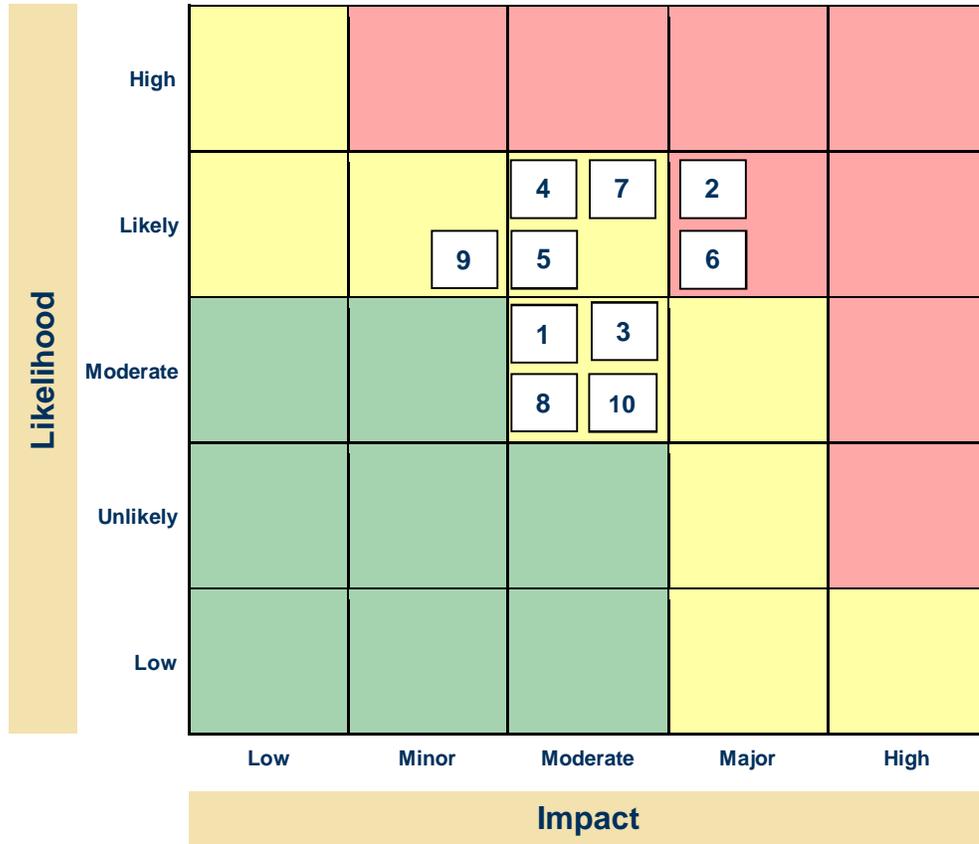
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Animal Health				OIA
2	Food Safety		ü		
3	Meat Inspection				OIA
4	Administration	ü	ü	AOS	AOS
5	Plants and Pesticides			OIA	
6	Consumer Protection Labs		ü		OIA
7	Soil & Water				OIA
8	IT Governance		ü		
9	IT Operations	ü		OIA	
10	IT Security Controls				OIA

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

OFFICE OF BUDGET AND MANAGEMENT
FISCAL YEAR 2017 AUDIT PRIORITIES

No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Shared Services			OIA	
2	Accounting Operations		ü	OIA	OIA
3	Budget Development	ü	ü	AOS	AOS
4	Financial Reporting	ü	ü	OIA/AOS	AOS
5	Debt Management				OIA
6	Controlling Board	ü		AOS	
7	IT Governance	ü			
8	IT Operations		ü		
9	IT Security Controls			OIA	OIA

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

DEPARTMENT OF COMMERCE
FISCAL YEAR 2017 AUDIT PRIORITIES

Likelihood (vertical axis): High, Likely, Moderate, Unlikely, Low

Impact (horizontal axis): Low, Minor, Moderate, Major, High

Matrix plot positions:
- Likely row: 9 (Moderate), 7 (Major)
- Below Likely: 10, 2 (Moderate), 11 (Major)
- Moderate row: 8 (Minor), 3, 6 (Moderate), 1 (Major)
- Below Moderate: 4, 5 (Minor)
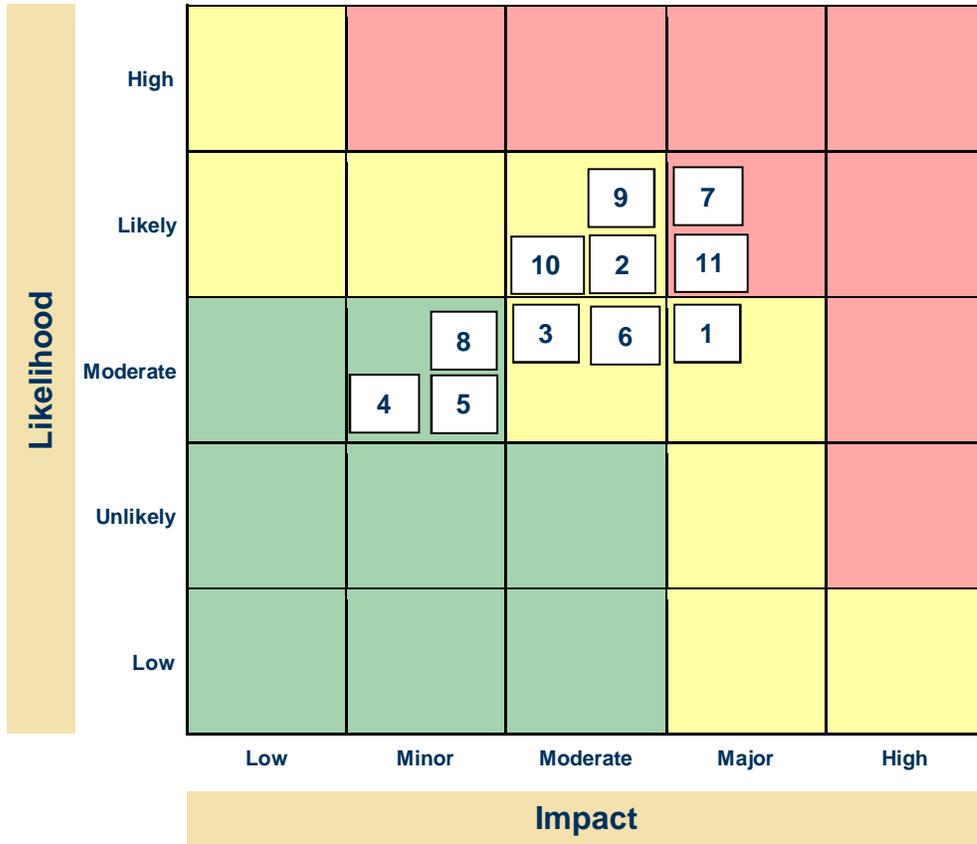
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Unclaimed Funds		ü		
2	Division of Financial Institutions	ü			OIA
3	State Fire Marshal		ü	OIA	
4	Real Estate				
5	Securities				
6	Industrial Compliance	ü			OIA
7	Liquor Control	ü	ü	OIA	
8	Administration		ü	OIA/AOS	AOS
9	IT Governance	ü			
10	IT Operations				OIA
11	IT Security Controls	ü		OIA	

DEPARTMENT OF DEVELOPMENTAL DISABILITIES
FISCAL YEAR 2017 AUDIT PRIORITIES
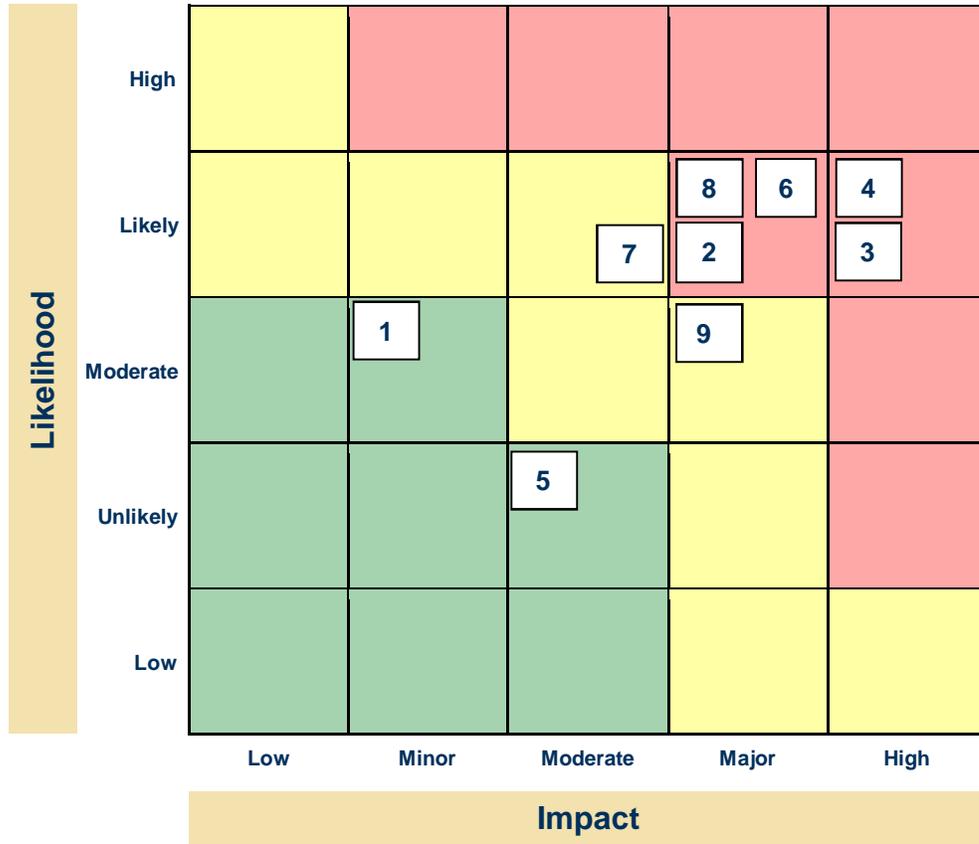
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	DD Council			OIA	
2	Community Social Service Programs			AOS	AOS
3	Community Medicaid	ü		OIA/AOS	AOS
4	Developmental Centers		ü	OIA	OIA
5	Operating and Services	ü	ü	OIA/AOS	AOS
6	County Boards			AOS	OIA/AOS
7	IT Governance	ü			
8	IT Operations		ü	OIA	OIA
9	IT Security Controls			OIA	OIA

DEVELOPMENT SERVICES AGENCY
FISCAL YEAR 2017 AUDIT PRIORITIES
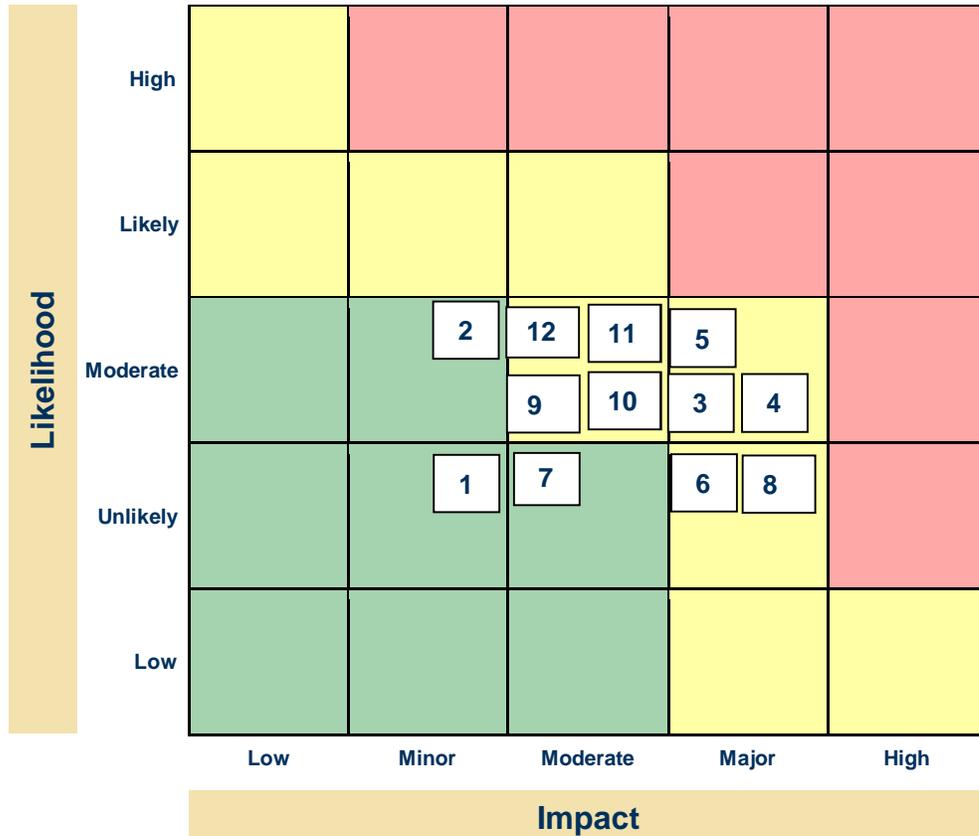
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	State Grants/Community Svc Division		ü		
2	State Grants/Business Svcs Division				
3	Financial Incentives-Grants			OIA	
4	Financial Incentives-Loans	ü			
5	Financial Incentives-Tax Credits	ü			OIA
6	Federal Programs-Community Srvcs Div	ü	ü	OIA/AOS	
7	Tourism Ohio	ü			
8	Office of Loan Administration	ü	ü	AOS	AOS
9	Administration	ü	ü	OIA/AOS	OIA/AOS
10	IT Governance	ü			
11	IT Operations	ü		OIA	
12	IT Security Controls	ü	ü		OIA

DEPARTMENT OF EDUCATION
FISCAL YEAR 2017 AUDIT PRIORITIES
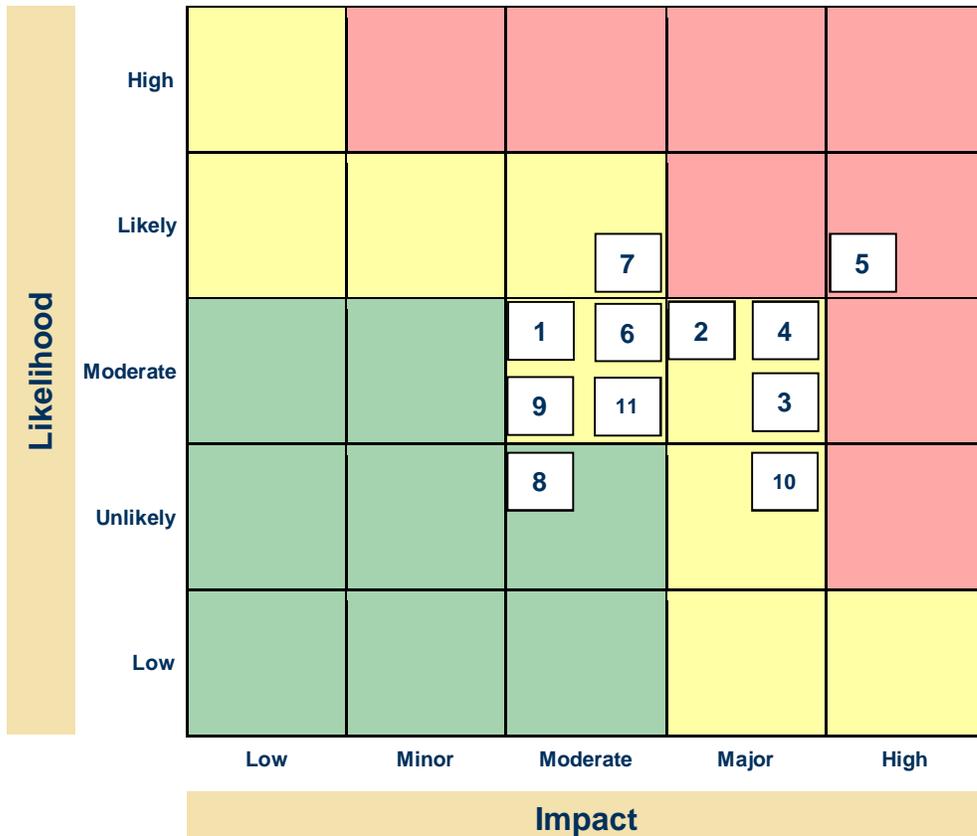
.No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015*	2016	2017	2018
1	Curriculum & Assessment			OIA	
2	Student Support/Education Options		ü	OIA	
3	Accountability/Contin. Improvement	ü	ü	AOS	OIA/AOS
4	Teaching Profession				OIA
5	School Foundation		ü	OIA	
6	Finance & Other Operations	ü	ü	OIA/AOS	
7	Grant Monitoring & Closeout	ü	ü	AOS	AOS
8	Other Programs		ü		
9	IT Governance				
10	IT Operations	ü	ü	OIA/AOS	AOS
11	IT Security Controls			AOS	AOS

*Volunteered for OIA to perform internal audit services per ORC 126.45(D), starting in FY 2016.

ENVIRONMENTAL PROTECTION AGENCY
FISCAL YEAR 2017 AUDIT PRIORITIES
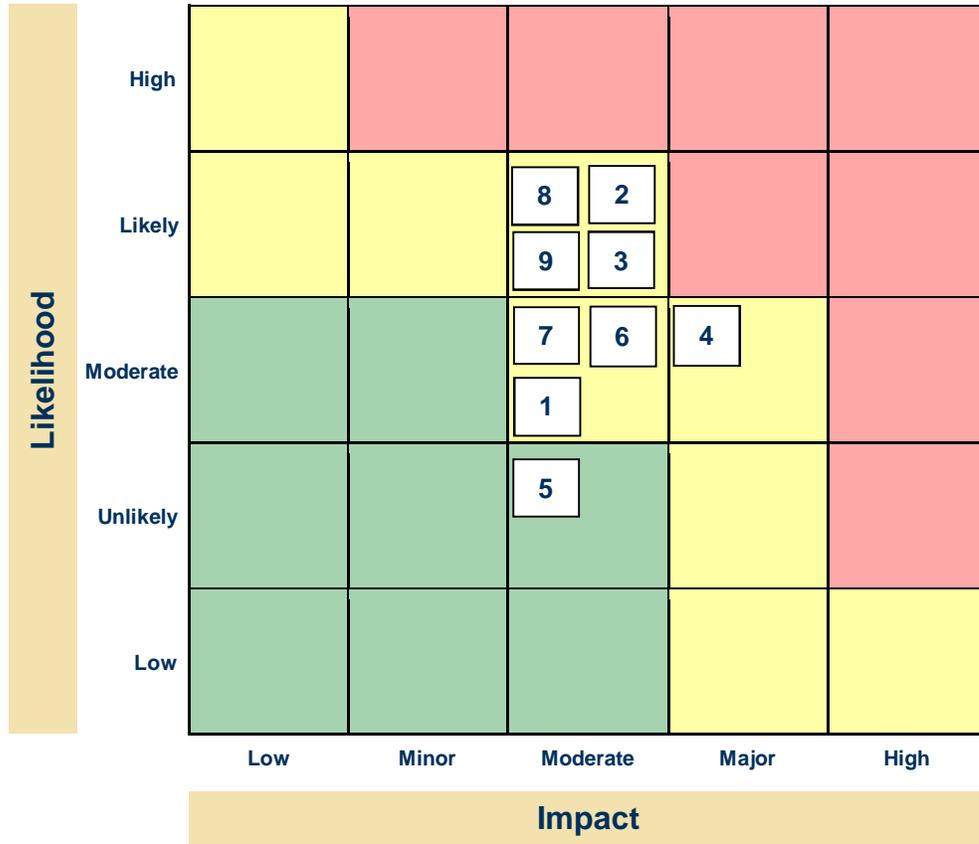
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Administration		ü	OIA	
2	Materials and Waste Management	ü			OIA
3	Surface Water				OIA
4	State Revolving Loan Programs	ü		AOS	OIA/AOS
5	Air Pollution		ü		
6	Environmental Education	ü			
7	IT Governance	ü			
8	IT Operations				OIA
9	IT Security Controls			OIA	

DEPARTMENT OF HEALTH
FISCAL YEAR 2017 AUDIT PRIORITIES

No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Health Improvement and Wellness	ü	ü	OIA	
2	Administration	ü	ü	OIA/AOS	AOS
3	Maternal Child Health Block Grant	ü	ü		
4	Women, Infants, and Children		ü		OIA
5	Preventive and Preparedness			OIA	
6	IT Governance		ü		
7	IT Operations		ü	AOS	OIA
8	IT Security Controls	ü		OIA	OIA

DEPARTMENT OF HIGHER EDUCATION
FISCAL YEAR 2017 AUDIT PRIORITIES
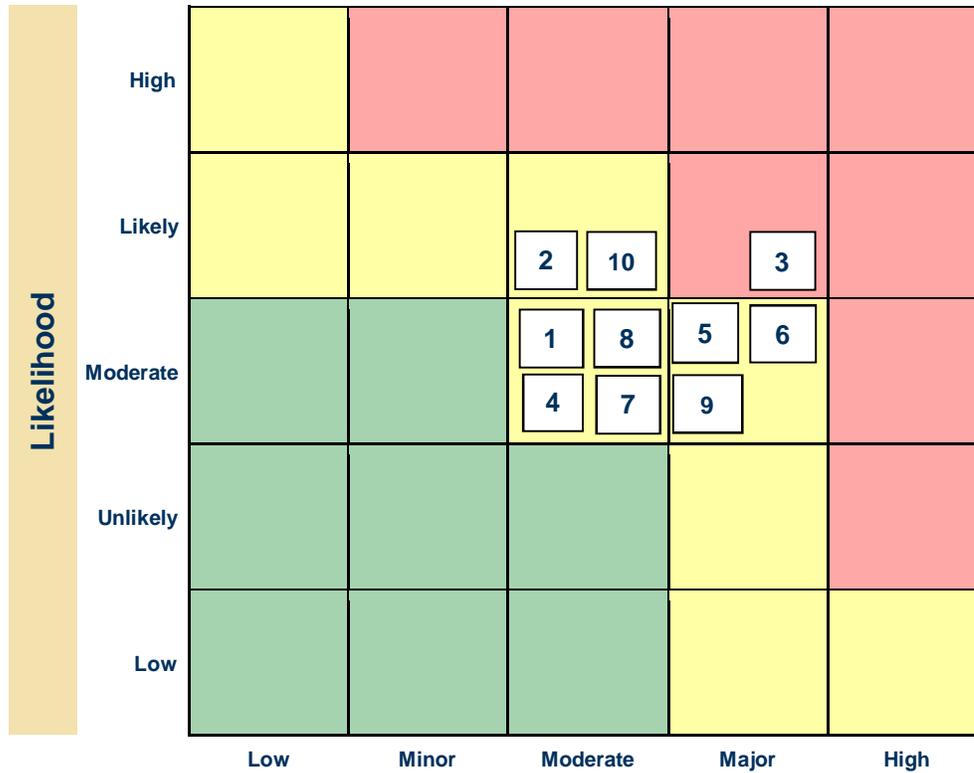
Likelihood (vertical axis): High, Likely, Moderate, Unlikely, Low

Impact (horizontal axis): Low, Minor, Moderate, Major, High

Risk matrix plotted items:
- Likely / Moderate: 2, 10
- Likely / Major: 3
- Moderate / Moderate: 1, 8
- Moderate / Major: 5, 6
- (Moderate-lower) Moderate: 4, 7
- (Moderate-lower) Major: 9

No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Scholarship, Grant & Loan Programs		ü	OIA	OIA
2	Post-Secondary Adult Career–Tech Ed.			OIA	
3	State Share of Instruction	ü	ü	AOS	
4	Adult Basic and Literacy Education		ü		
5	Ohio College Opportunities Grant				OIA
6	Ohio Tuition Trust Authority	ü		AOS	AOS
7	Contract/Vendor Management	ü			
8	IT Governance				OIA
9	IT Operations		ü		OIA
10	IT Security Controls			OIA	

DEPARTMENT OF INSURANCE
FISCAL YEAR 2017 AUDIT PRIORITIES
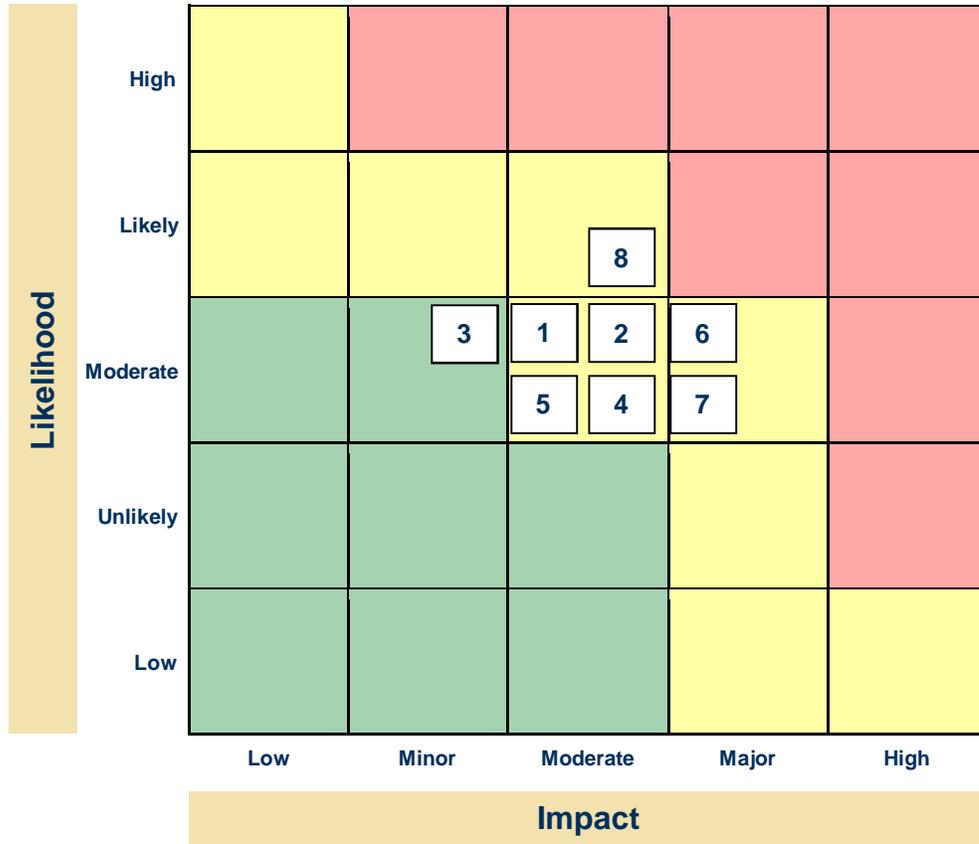
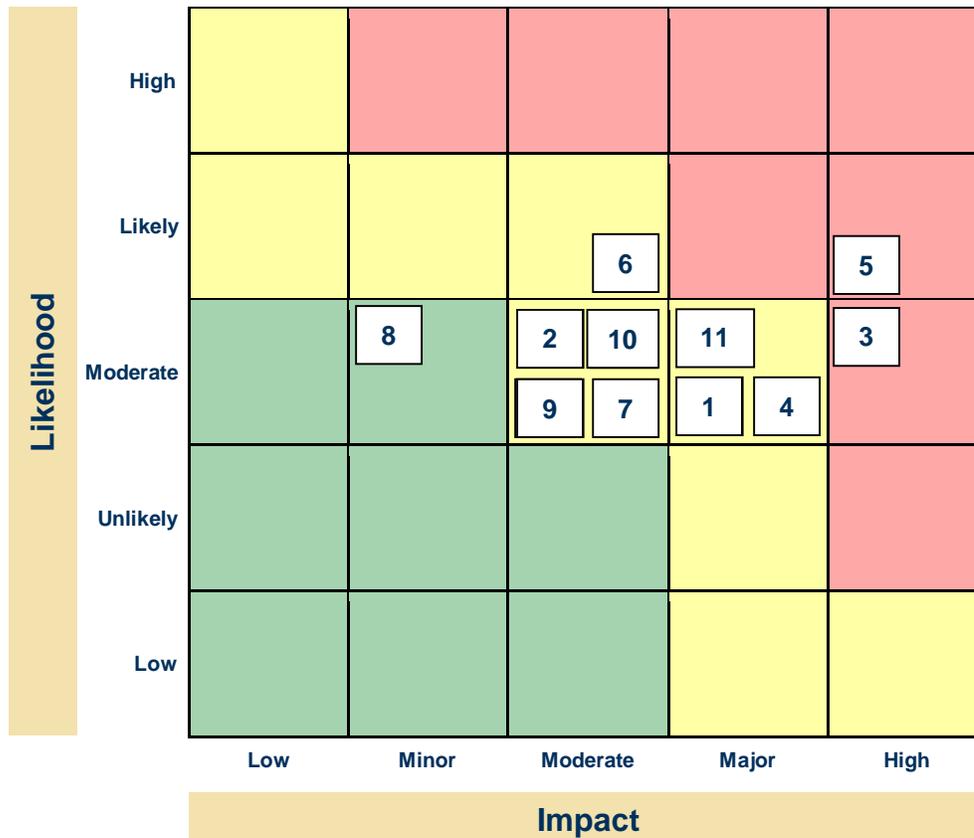| No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Administration	ü	ü	OIA/AOS	AOS
2	Operating - Licenses			AOS	
3	Examinations		ü		
4	Domestic Insurance Collections	ü	ü	AOS	
5	Foreign Insurance Collections	ü	ü	AOS	
6	IT Governance	ü			
7	IT Operations				OIA
8	IT Security Controls			OIA	OIA

DEPARTMENT OF JOB AND FAMILY SERVICES
FISCAL YEAR 2017 AUDIT PRIORITIES
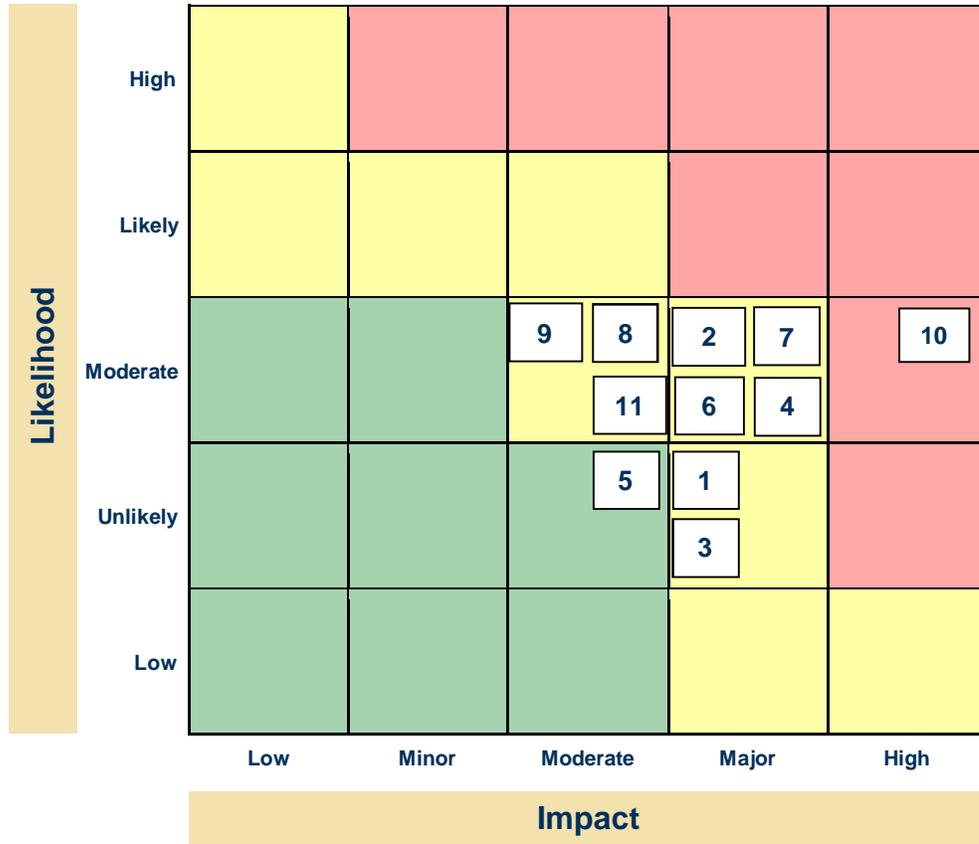
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Temporary Assistance for Needy Families	ü	ü	OIA/AOS	AOS
2	Child Care	ü	ü	OIA/AOS	AOS
3	Child Support	ü	ü	OIA/AOS	AOS
4	Food Assistance	ü	ü	OIA/AOS	AOS
5	Adoption/Foster Care	ü	ü	AOS	AOS
6	Workforce Investment Act	ü	ü	OIA/AOS	AOS
7	Unemployment Insurance	ü	ü	OIA/AOS	OIA/AOS
8	Administration			OIA	OIA
9	IT Governance	ü			
10	IT Operations	ü	ü	OIA/AOS	OIA/AOS
11	IT Security Controls	ü	ü	OIA	OIA

OHIO LOTTERY COMMISSION
FISCAL YEAR 2017 AUDIT PRIORITIES

No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Administration	ü	ü	OIA/AOS	OIA/AOS
2	Asset Inventory	ü	ü		
3	Prize Payments	ü	ü	AOS	AOS
4	Contracts	ü	ü		
5	Games and Drawings	ü	ü	AOS	AOS
6	Compliance and Inspections	ü	ü	OIA/OLC	OLC
7	Video Lottery Terminals		ü		
8	Customer Focused Areas	ü	ü		
9	IT Governance	ü			
10	IT Operations	ü	ü	AOS	OIA/AOS
11	IT Security Controls	ü	ü	OIA	OIA

DEPARTMENT OF MEDICAID

FISCAL YEAR 2017 AUDIT PRIORITIES
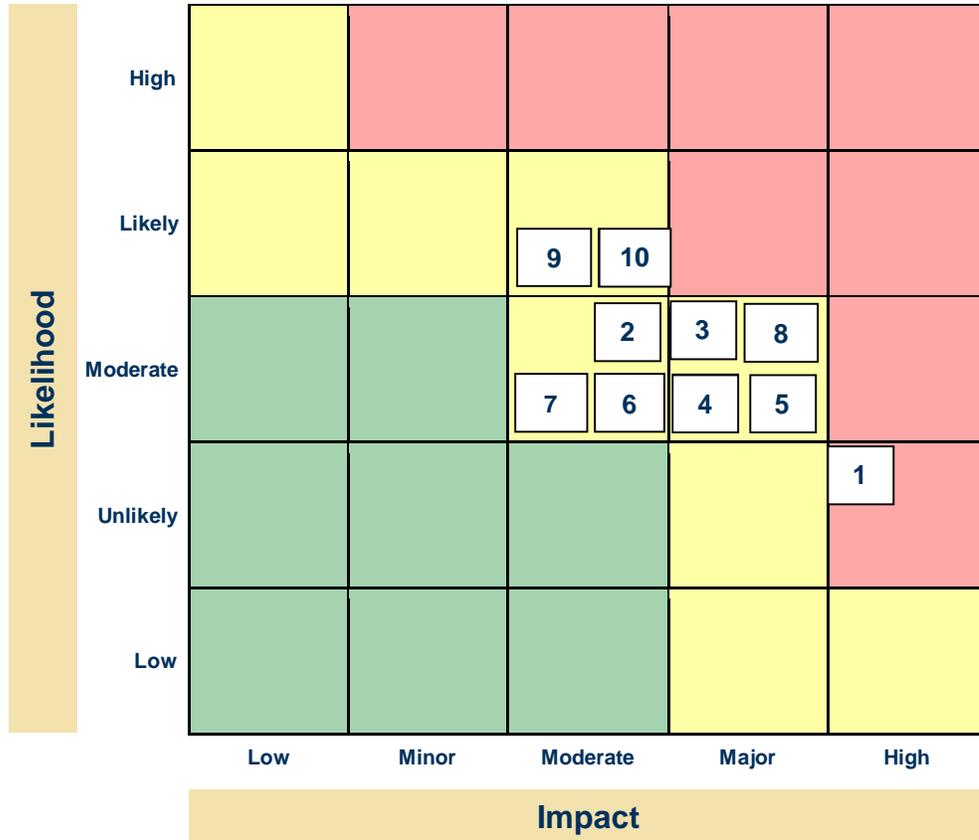
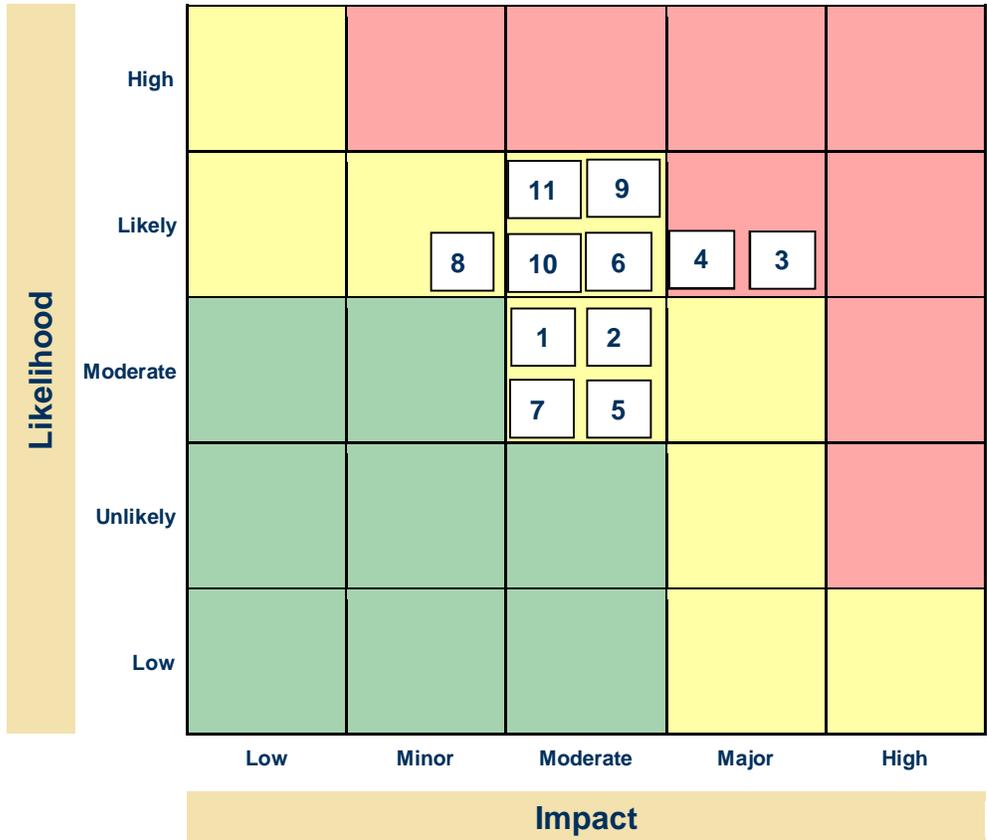| No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Unified Medicaid – Sister Agencies	ü	ü	AOS	AOS
2	Program Integrity	ü			
3	Home & Community Based Services	ü	ü		
4	Fee for Services Claims				OIA
5	Managed Care	ü	ü	OIA/AOS	OIA/AOS
6	Providers (Hospitals/HCAP/Nursing Facilities)	ü	ü	AOS	OIA/AOS
7	Administration			OIA	
8	IT Governance		ü		
9	IT Operations	ü	ü	OIA	OIA
10	IT Security Controls	ü	ü	OIA	

MENTAL HEALTH AND ADDICTION SERVICES
FISCAL YEAR 2017 AUDIT PRIORITIES
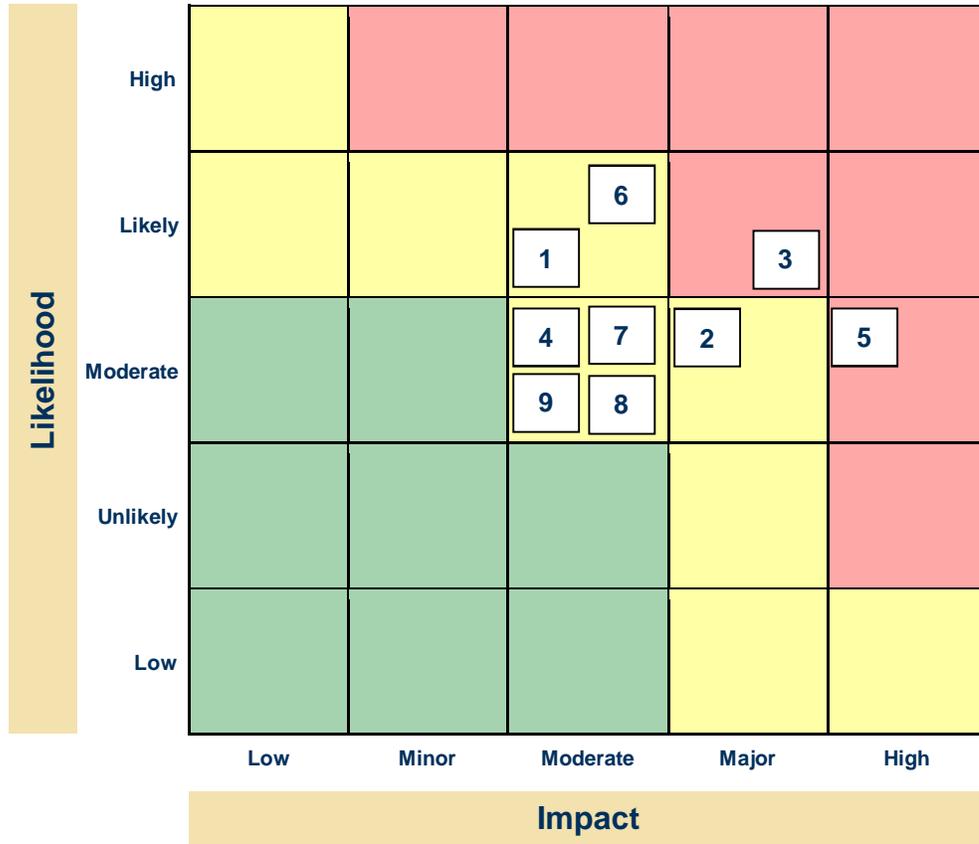
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Central Administration/Program Mgt	ü		OIA	OIA/AOS
2	Hospital Services		ü	OIA	
3	Ohio Pharmacy Service Center			OIA	
4	ADAMH Board Monitoring				OIA
5	Community & Recovery Services	ü	ü	AOS	
6	Prevention Services			AOS	
7	IT Governance	ü			
8	IT Operations		ü		OIA
9	IT Security Controls			OIA	

DEPARTMENT OF NATURAL RESOURCES
FISCAL YEAR 2017 AUDIT PRIORITIES

No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Mineral Resources Management	ü	ü	AOS	AOS
2	State Forest				OIA
3	State Park Operations	ü	ü	AOS	OIA
4	Oil and Gas / Geo Survey	ü		OIA/AOS	
5	Wildlife	ü	ü		
6	Watercraft	ü		AOS	
7	General Administration	ü	ü	OIA/AOS	AOS
8	Coastal (new to heat map in FY 17)				
9	IT Governance	ü			
10	IT Operations				OIA
11	IT Security Controls			OIA	

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

OPPORTUNITIES FOR OHIOANS WITH DISABILITIES

FISCAL YEAR 2017 AUDIT PRIORITIES
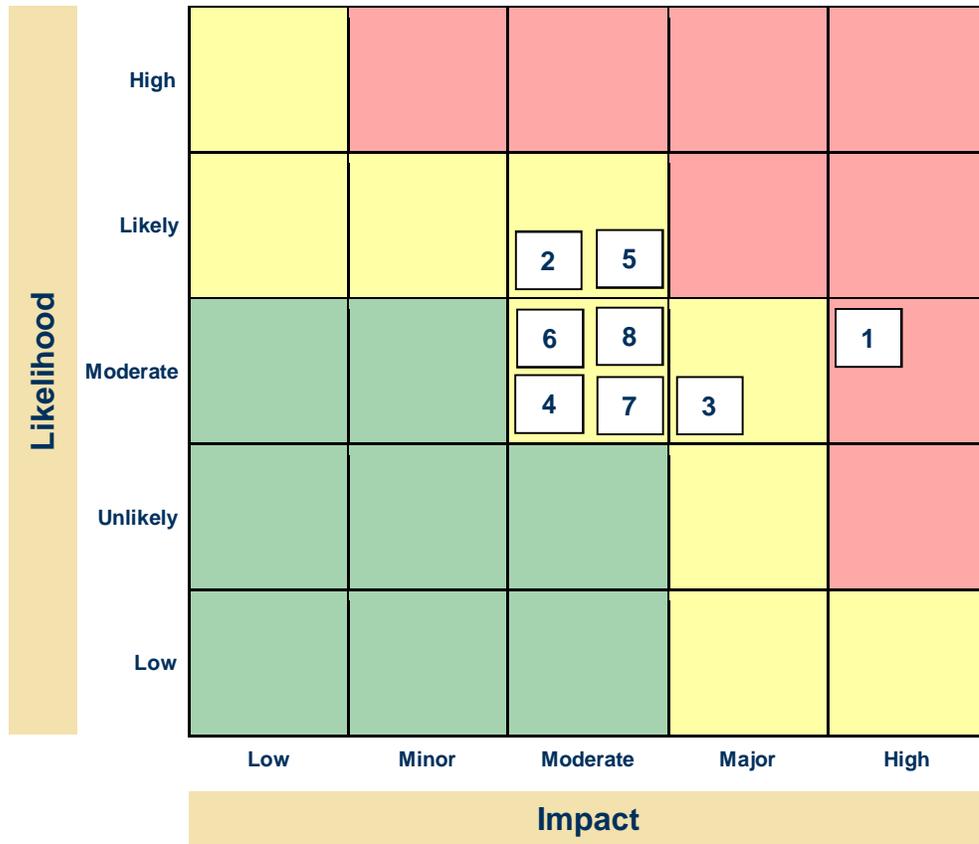
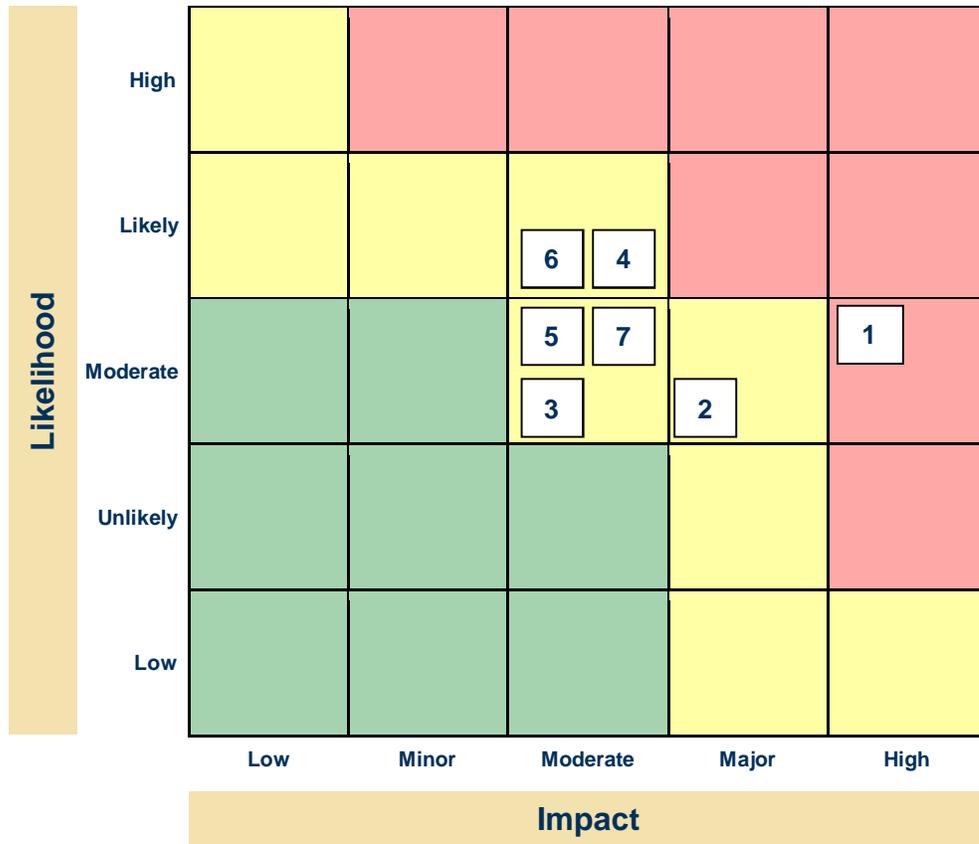| No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Vocational Rehabilitation	ü		OIA	
2	Independent Living			OIA	
3	Disability Determination	ü			OIA
4	General Administration	ü	ü	OIA	
5	Business Enterprise				OIA
6	IT Governance	ü			
7	IT Operations		ü		
8	IT Security Controls			OIA	OIA

DEPARTMENT OF PUBLIC SAFETY
FISCAL YEAR 2017 AUDIT PRIORITIES
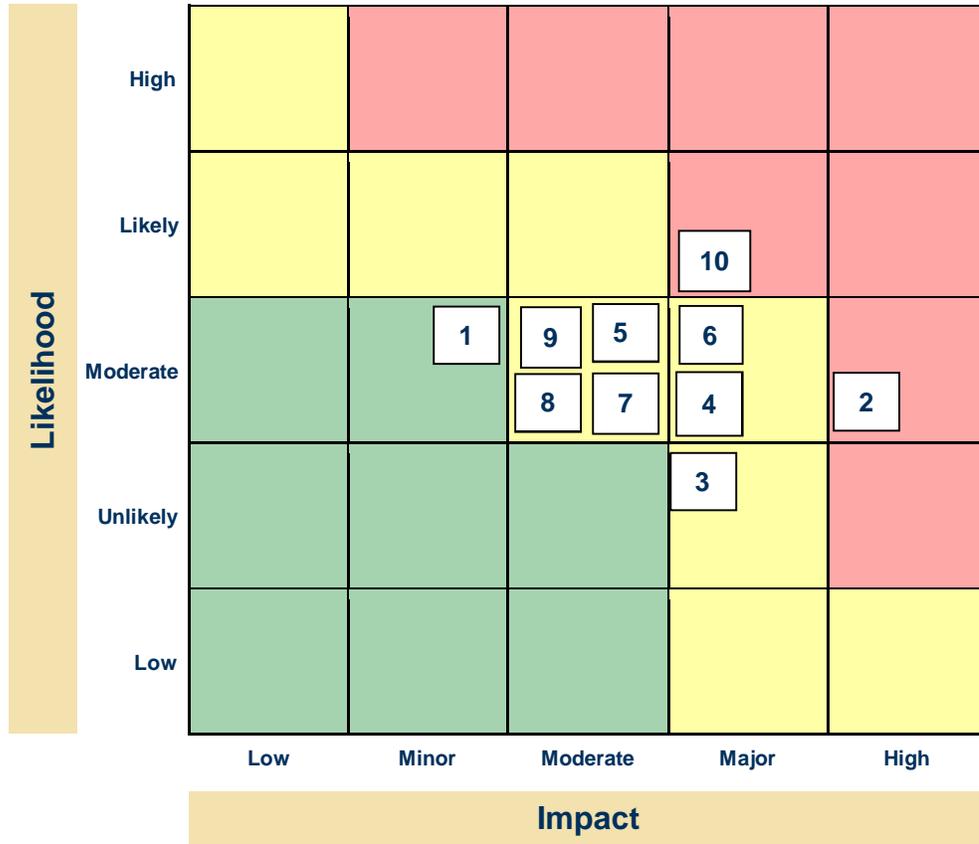
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Traffic Safety/Education	ü		OIA	
2	Bureau of Motor Vehicles	ü	ü	OIA	
3	State Highway Patrol	ü		OIA	
4	Homeland Security		ü	OIA/AOS	
5	Emergency Medical Services			OIA	OIA
6	Emergency Management Agency	ü	ü	OIA/AOS	
7	Criminal Justice Services			OIA	OIA
8	IT Governance	ü			
9	IT Operations	ü			OIA
10	IT Security Controls		ü	OIA	

PUBLIC UTILITIES COMMISSION
FISCAL YEAR 2017 AUDIT PRIORITIES

No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Assessments			OIA	
2	Utility Regulation	ü			
3	Transportation Regulation				OIA
5	General Administration	ü		OIA/AOS	
6	IT Governance		ü		
7	IT Operations				OIA
8	IT Security Controls			OIA	

DEPARTMENT OF REHABILITATION AND CORRECTION
FISCAL YEAR 2017 AUDIT PRIORITIES
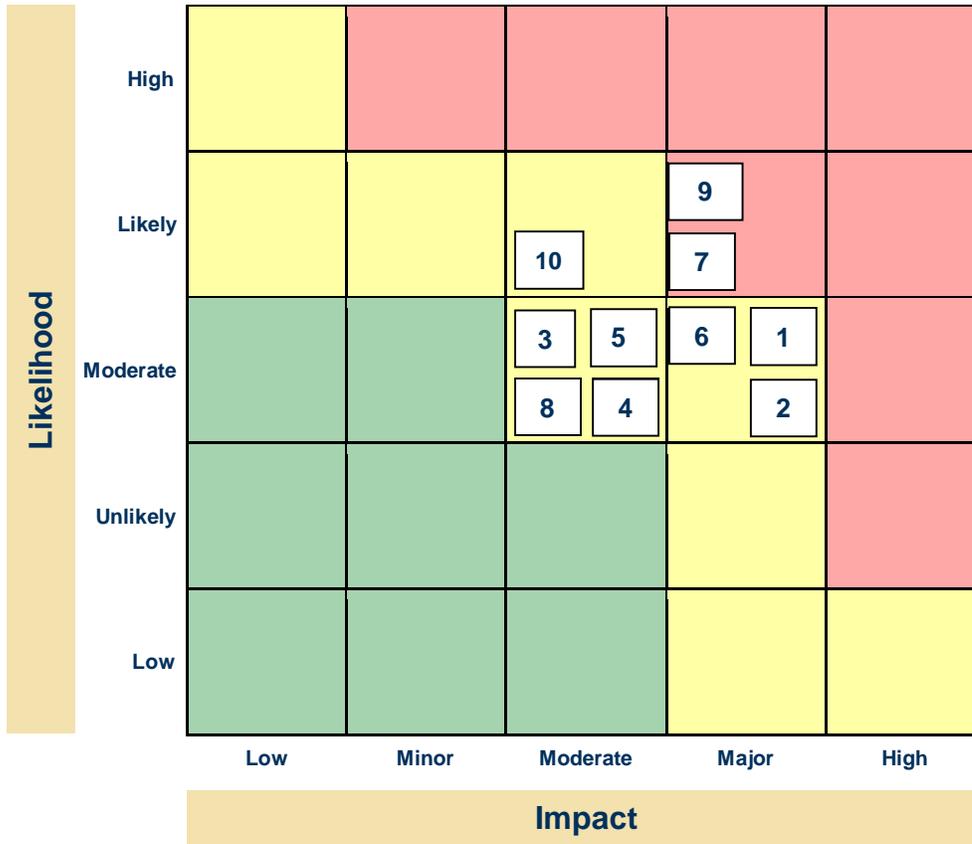
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Institutional Operations – Payroll	ü	ü	OIA/AOS	AOS
2	Institutional Operations/Admin/Non-payroll	ü	ü	AOS	AOS
3	Community Nonresidential Programs	ü			
4	Community Residential Programs		ü		
5	Parole and Community Operations				OIA
6	Institution Medical Services				OIA
7	Ohio Penal Industries			AOS	OIA/AOS
8	IT Governance	ü			
9	IT Operations			OIA	
10	IT Security Controls		ü		

DEPARTMENT OF TAXATION
FISCAL YEAR 2017 AUDIT PRIORITIES
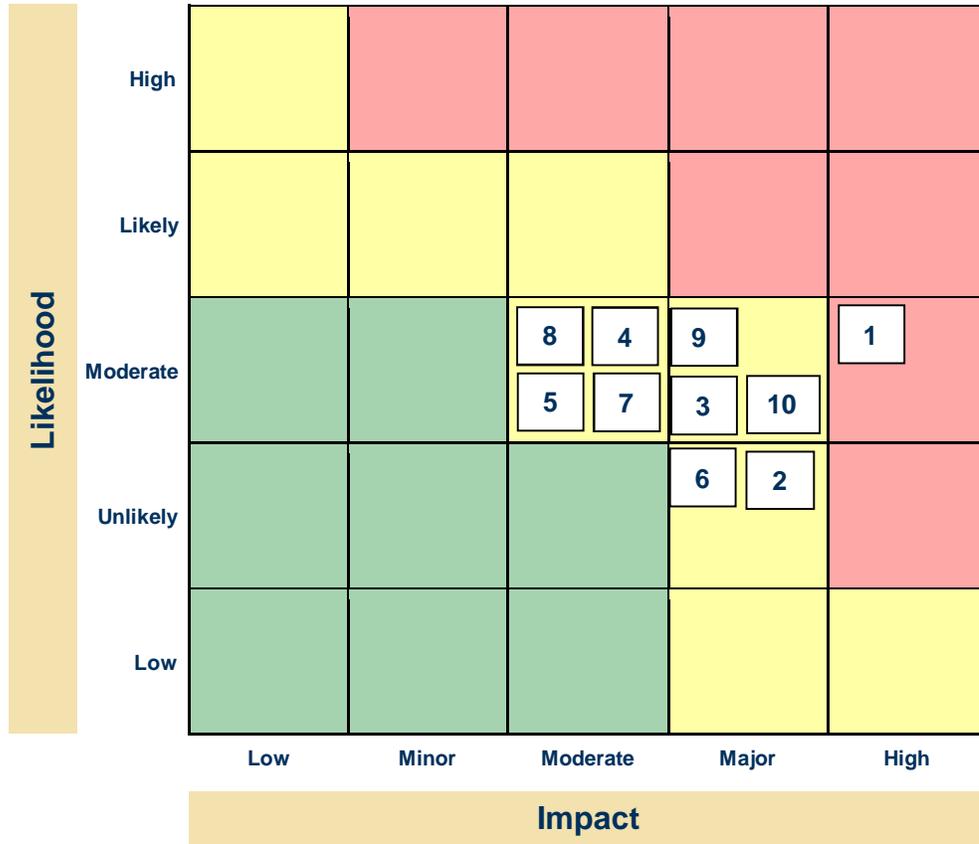
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Personal Income Taxes	ü	ü	OIA/AOS	AOS
2	Sales Taxes	ü	ü	AOS	AOS
3	Commercial Activity Taxes	ü	ü	AOS	OIA/AOS
4	Excise & Other Taxes	ü	ü		OIA
5	Gasoline Excise (Motor Vehicle Fuel) Taxes	ü		OIA/AOS	OIA/AOS
6	Permissive Tax Distribution	ü	ü	AOS	AOS
7	Revenue Distribution	ü	ü	OIA/AOS	AOS
8	IT Governance	ü			
9	IT Operations	ü	ü	OIA/AOS	OIA/AOS
10	IT Security Controls		ü	OIA	

DEPARTMENT OF TRANSPORTATION
FISCAL YEAR 2017 AUDIT PRIORITIES
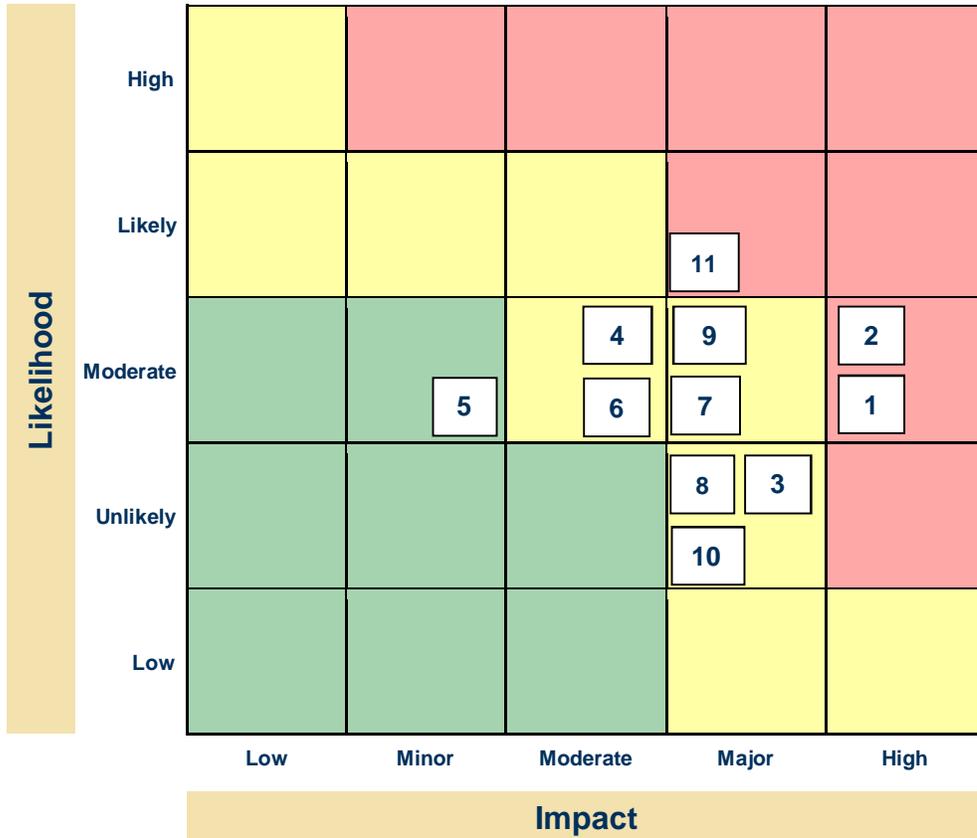
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Highway Construction – State Managed	ü	ü	AOS	AOS
2	Highway Construction – Local Managed			OIA	
3	Highway Construction – Infrastructure Bank	ü	ü	AOS	AOS
4	Transportation Planning and Research				OIA
5	Other Transportation (Public, Rail, Aviation)				
6	Administration	ü	ü	OIA	
7	State Infrastructure Assets	ü	ü	AOS	AOS
8	District Operations		ü		
9	IT Governance	ü			
10	IT Operations	ü	ü	OIA	OIA
11	IT Security Controls		ü	OIA	OIA

DEPARTMENT OF VETERANS SERVICES
FISCAL YEAR 2017 AUDIT PRIORITIES
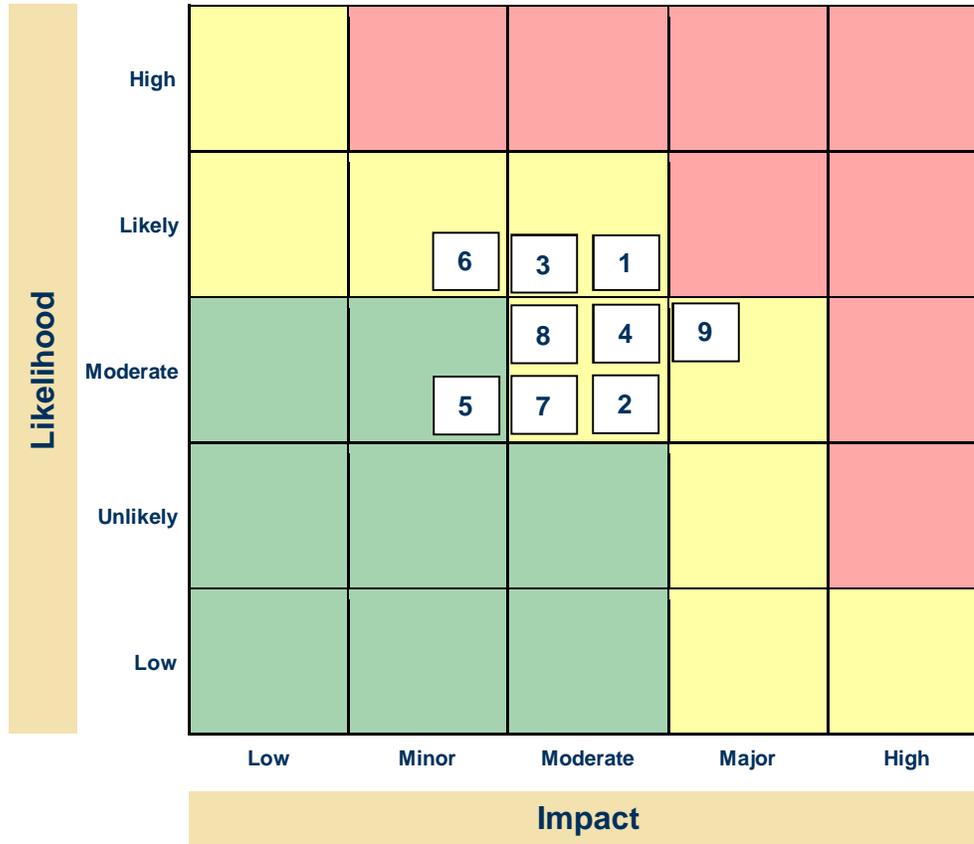
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Sandusky Veterans Facility – Payroll	ü	ü	OIA/AOS	AOS
2	Sandusky Veterans Facility – Non-payroll	ü	ü	AOS	AOS
3	Georgetown Veterans Facility – Payroll	ü	ü	OIA/AOS	AOS
4	Georgetown Veterans Facility – Non-payroll	ü	ü	AOS	AOS
5	State Operations	ü		OIA	
6	Veterans Bonus/Military Injury Relief				OIA
7	IT Governance		ü		
8	IT Operations				OIA
9	IT Security Controls		ü	OIA	

BUREAU OF WORKERS' COMPENSATION
FISCAL YEAR 2017 AUDIT PRIORITIES

No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	Revenues: Fees and Assessments	ü	ü	AOS/BWC	AOS/BWC
2	Capital Assets				
3	Cash and Investments	ü	ü	AOS/BWC	AOS/BWC
4	Payroll				BWC
5	Expenditures	ü	ü	OIA/AOS	AOS
6	Claims	ü	ü	BWC	BWC
7	General Accounting & Financial Reporting	ü	ü	AOS/BWC	AOS/BWC
8	Self-Insurance	ü	ü	BWC	BWC
9	Reserves/Actuarial Reviews	ü	ü	AOS/BWC	AOS/BWC
10	Rate-Making	ü	ü	BWC	BWC
11	Fraud & Investigative Services				BWC
12	Managed Care Organizations	ü	ü	BWC	BWC
13	IT Governance	ü			
14	IT Operations	ü	ü	OIA	OIA
15	IT Security Controls		ü	OIA	OIA

DEPARTMENT OF YOUTH SERVICES
FISCAL YEAR 2017 AUDIT PRIORITIES
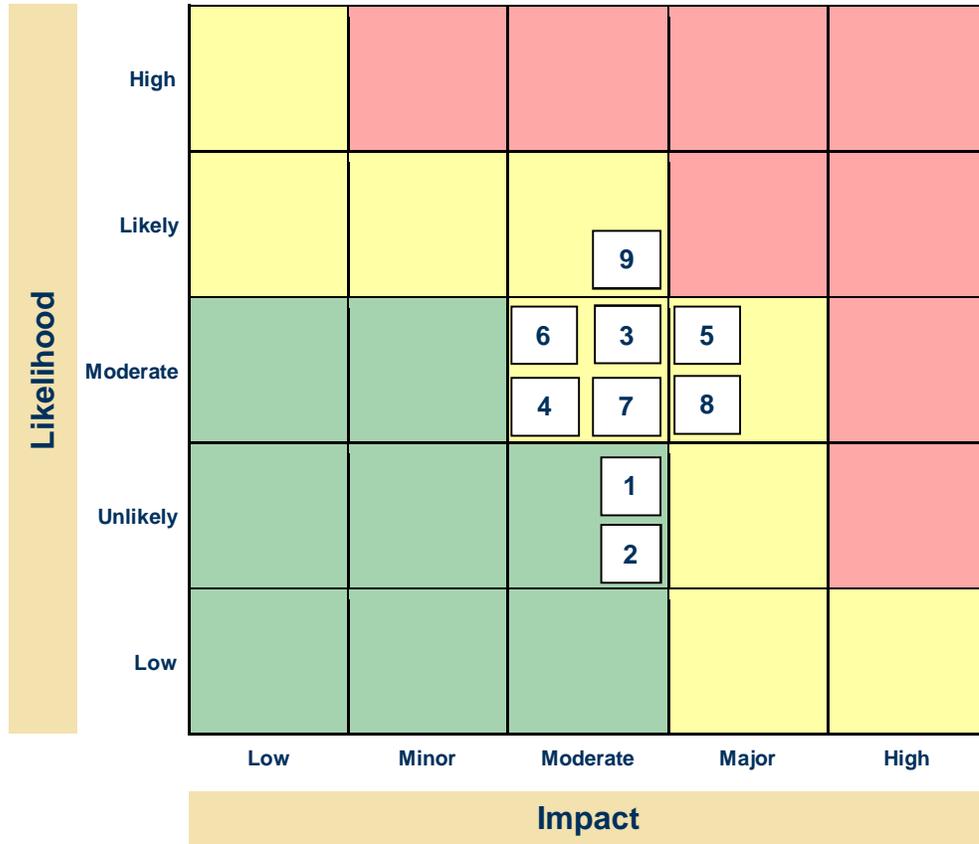
No.	Audit Universe Description	Past Coverage		Planned Coverage	
		2015	2016	2017	2018
1	State Correctional Facilities – Payroll	ü	ü	AOS	AOS
2	State Correctional Facilities – Non-payroll	ü	ü	AOS	AOS
3	Parole Operations				OIA
4	County Community Correctional Facilities			AOS	AOS
5	Local Court Subsidies/Reclaim			AOS	AOS
6	Administrative Operations	ü	ü	OIA/AOS	AOS
7	IT Governance		ü		
8	IT Operations				OIA
9	IT Security Controls			OIA	