

**OIA REMEDIATION ACTIVITY - OBSERVATIONS**

As of June 20, 2013

Moderate Risk Comment 2012-COM-02-04		Issued: June 21, 2012
Agency:	Commerce	Recommendation: Develop and implement a formal documented process that tracks storage tank files and ensures inspections are conducted timely. Consider designing an automated mechanism to identify whether an inspection occurred within 180 days from the time the permit was granted to ensure each storage tank is inspected.
Report:	State Fire Marshal - Code Enforcement	
Comment:	Storage Tank Inspection Tracking	
Completion Date:	12/31/2012 (revised 4/30/13)	
Status:	Closed	Comments: N/A

Moderate Risk Comment 2012-DEV-03-01		Issued: June 21, 2012
Agency:	Development Services	Recommendation: Restore the audit function over the electric distribution utility companies (EDU's). Consider implementing a risk-based approach when developing the audit schedule to prioritize the audits and ensure each EDU is audited at least once every three years with an audit scope covering the entire three years.
Report:	Percentage of Income Payment Plan (PIPP) Plus	
Comment:	External Audit Frequency	
Completion Date:	1/31/2013 (revised 4/30/13)	
Status:	Closed	Comments: N/A

Moderate Risk Comment 2012-DEV-03-02		Issued: June 21, 2012
Agency:	Development Services	Recommendation: Modify current pre-PIPP arrearage collections practices. At a minimum, analyze the impact on the PIPP Plus program if pre-PIPP arrearage funds are not reimbursed by the EDUs. Determine how EDUs account for pre-PIPP arrearages advanced for PIPP Plus customers dropped from the program. Consider adding a separate reporting field to the CIR and 301 reports to list the amount of pre-PIPP charges returned.
Report:	Percentage of Income Payment Plan (PIPP) Plus	
Comment:	Customer Arrearages Advancements	
Completion Date:	1/31/2013 (revised 4/30/13)	
Status:	Closed	Comments: N/A

Moderate Risk Comment 2013-BOR-01-02		Issued: December 13, 2012
Agency:	Board of Regents	Recommendation: Consider following up with institutions that have not paid out any scholarships for the semester. Develop department-wide policies and procedures requiring staff to reconcile program activity to fiscal data and review student data after each semester. Evidence should be maintained, such as employee signature and retention of reconciliation documentation. Review of student data should also be documented
Report:	Choose Ohio First Scholarship	
Comment:	Evidence of Reporting and Reconciliation	
Completion Date:	March 31, 2013	
Status:	Closed	Comments: N/A

Moderate Risk Comment 2013-COM-01-01		Issued: December 13, 2012
Agency:	Commerce	Recommendation: Consider implementing the redaction feature offered in IntellivUE, or redact SSN's on the hard copy before it is scanned into IntellivUE. Consider storing records in a locked room before being transported for records retention. Update policy and procedure documents to ensure sensitive data is not included in the examples provided.
Report:	Real Estate	
Comment:	Sensitive Data not Secured	
Completion Date:	April 30, 2013	
Status:	Closed	Comments: N/A

Moderate Risk Comment 2013-DVS-01-01		Issued: December 13, 2012
Agency:	Veteran Services	Recommendation: Periodically review expenditures made using the traditional voucher process that meet the payment card usage criteria to determine if training would facilitate the expanded use of payment cards where appropriate.
Report:	Payment Card	
Comment:	Payment Card Efficiencies	
Completion Date:	March 1, 2013	
Status:	Closed	Comments: N/A

Moderate Risk Comment 2013-DNR-01-03		Issued: March 21, 2013
Agency:	Natural Resources	Recommendation: To enhance controls over the check receipt process, consider implementing the following compensating controls: a lockbox system to receive customer payments or payments directed to the central fiscal office; two employees receiving and opening payments, create a listing of payments and preparing the deposit; and daily reconciliations of payments to bank deposits, including lockbox receipts. When these functions cannot be separated, a detailed supervisory review of related activities should be performed as a compensating control activity.
Report:	State Park Operations	
Comment:	Lack of Segregation of Duties	
Completion Date:	March 31, 2013	
Status: Closed		Comments: N/A

Moderate Risk Comment 2013-BOR-01-01		Issued: December 13, 2012
Agency:	Board of Regents	Recommendation: Update and approve current monitoring policies and procedures to address risks associated with the requirements set forth in the program guidelines and agreements. Prioritize monitoring activities by utilizing a risk based approach that establishes quantitatively weighted risk factors; based on the risk assigned, determine the frequency and scope of the monitoring efforts. Develop a formal remediation process outlining how issues identified during monitoring will be communicated to the institution. It should include a timeframe for issue resolution, and a process for recouping funds for unresolved issues and/or non-compliance. BOR senior management should be informed of the monitoring efforts and results at least annually. Consider creating procedures specifically for medical and nursing scholarships to include a provision for tracking students after graduation, including a recourse provision in the event a student does not fulfill all of the post-graduate requirements.
Report:	Choose Ohio First Scholarship	
Comment:	Overall Program Monitoring	
Completion Date:	3/31/13 (Revised 8/14/13)	
Status: Partially Remediated		Comments: BOR created procedures for monitoring medical and nursing scholarships. Additionally, BOR updated procedures for monitoring the COF Scholarship Program and communicating issues to institutions. A desk review schedule was created and reviews were conducted; subsequent communications were sent to campuses with desk review results and follow up if necessary. However, BOR needs to document in their procedures for COF that the schools will perform monitoring and how/when BOR will receive updates, and how they will recoup funds and monitor repayments.

Moderate Risk Comment 2013-ODH-01-06		Issued: December 13, 2012
Agency:	Health	Recommendation: Develop and implement agency procedures over the receiving/asset management process. Such procedures should address goods/assets not received through the ODH central receiving area or purchased outside of the normal requisition process to ensure items are properly tagged and logged. Re-emphasize the rules and agency policies over the purchasing and asset management processes through mandatory trainings with agency purchasing staff. Clearly communicate the asset requirements, as well as the assignment of responsibility for tracking and conducting a physical inventory of ODH assets at both the central office location and off- site/grantee locations on a regular basis (as determined by ODH, but no less than every two years, per DAS requirements).
Report:	Procurement Process	
Comment:	Asset Management Processing	
Completion Date:	3/31/13 (Revised 7/31/13)	
Status: Partially Remediated		Comments: Utilization of the IT group's WASP barcode system is occurring to support ODH's master asset management inventory listing (as opposed to just IT inventory). OAKS BI reports are being used to facilitate conducting agency inventory. Additionally, ODH has implemented a new asset management policy; training for agency staff on the new policy is not anticipated to be conducted until June 2013.

Moderate Risk Comment 2013-ODH-01-03		Issued: December 13, 2012
Agency:	Health	<p>Recommendation: Take immediate measures to prohibit equipment purchases from unqualified encumbrances and re-emphasize the agency's rules surrounding the procurement process through regular training.</p> <p>Develop and implement agency-wide policies surrounding the use of state payment cards when purchasing IT assets. These policies should establish a mechanism for notifying the appropriate areas of the pending purchase, which will enable them to prepare for tracking, tagging, logging and monitoring of the IT assets. Evaluate whether the agency's expenditure information/budgets (especially those for federal grants) is understating equipment, particularly if equipment was purchased from service contracts. Implement periodic reconciliations between the OMIS inventory database and the OAKS Asset Inventory system to ensure both systems are complete and accurate.</p>
Report:	Procurement Process	
Comment:	Bypassing Procurement Rules	
Completion Date:	4/30/13 (Revised 7/31/13)	
Status: Partially Remediated		<p>Comments: ODH has identified transactions for analysis and have expanded their scope of review to include an additional vendor. Additional time is necessary to complete the review and update current policies and procedures.</p>

Moderate Risk Comment 2013-ODH-01-07		Issued: December 13, 2012
Agency:	Health	<p>Recommendation: Implement policies to align deliverable due dates and contract end dates. Those policies should include that no invoices be paid prior to deliverable being received. Incorporate guidance in the ODH contract manual to outline minimum required contract monitoring activities and techniques to be utilized.</p>
Report:	Procurement Process	
Comment:	Contract Monitoring	
Completion Date:	3/31/2013 (Revised 7/31/13)	
Status: Partially Remediated		<p>Comments: ODH created a handout which details the types and more specific requirements of contract monitoring, in addition to providing training to key ODH staff responsible for making procurements and requesting contracts. However, management has not yet updated the contract manual to reflect the contract monitoring requirements.</p>