



## Department of Development State Payment Card Audit

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**Audit Period: July 1, 2011 through February 29, 2012**

### Results Summary:

Objective	Conclusion
Issuance and Cancellation Process	Well-Controlled
Usage and Compliance with Policies & Procedures	Well-Controlled with Improvement Needed
Administration	Well-Controlled with Improvement Needed



## **Executive Summary**

### **Background**

The State of Ohio's Payment Card Program is designed to make purchases for goods and services below a specified amount and is meant to simplify and streamline the acquisition process and lower overall transaction costs. In addition to the payment card, the program has an electronic invoicing and payment process, which lowers the amount of time spent processing invoices for payment.

During the audit, OIA identified opportunities for DEV to strengthen internal controls and improve business operations. A summary, along with detailed observations, have been provided. OIA would like to thank DEV staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

### **Scope and Objectives**

OIA staff was engaged to perform assurance work related to the State Payment Card Audit. This work was completed between March 2012 and May 2012. The scope of this audit was limited to the payment card process. The following detailed audit objectives included:

- Evaluate the design and effectiveness of payment card issuance and cancellation process
- Evaluate the design and effectiveness of payment card usage in compliance with established policies and procedures.
- Evaluate the operational effectiveness of the payment card administration.

### **Observations and Recommendations**

The Observations and Recommendations include only those risks which were deemed high or moderate. Low risk observations were discussed with individual agency management and are not part of this report. However, the low risk observations were considered as part of the audit objective conclusions.



## Appendix A – Classification of Conclusions and Observations

### Classification of Audit Objective Conclusions

Conclusion	Description of Factors
<b>Well-Controlled</b>	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
<b>Well-Controlled with Improvement Needed</b>	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
<b>Improvement Needed</b>	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
<b>Major Improvement Needed</b>	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

### Classification of Audit Observations

Rating	Description of Factors	Reporting Level
<b>Low</b>	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
<b>Moderate</b>	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency as a whole. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
<b>High</b>	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee