



Department of Public Safety

Returned Checks Audit

Audit Period: July 2011 through October 2011



Executive Summary

Background

Three divisions within the Department of Public Safety (DPS) are responsible for processing returned checks received back from programs administered; DPS' central fiscal office, State Highway Patrol, and Emergency Management Agency.

The central fiscal office resides within DPS' administration. The office monitors expenditures and budgets, processes requisitions and purchase orders, and collaborates with the Office of Budget and Management to ensure DPS' compliance with state policies and procedures.

The State Highway Patrol has approximately 1,400 officers and 1,000 support personnel. The Patrol provides: statewide traffic services to keep roadways safe; statewide emergency response and support services; investigation of criminal activities on state-owned and leased property throughout Ohio, and security for the Governor and other dignitaries.

Emergency Management provides for a state emergency management agency and an emergency operations plan for each county. Also, Emergency Management establishes the legal protection and authority in times of a disaster.

During the audit, OIA identified opportunities for DPS to strengthen internal controls and improve business operations. A summary along with detailed observations, have been provided. OIA would like to thank DPS 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 processes for administering deposited checks that are returned back to DPS. This work was completed between November 2011 and February 2012. The scope of this audit included the following areas:

- Central Fiscal Office,
- State Highway Patrol, and
- Emergency Management Agency

The following summarizes the objectives of the review along with a conclusion on the effectiveness of management’s internal controls.

Objective	Conclusion ¹
Evaluate the adequacy of the agency's policies and procedures for returned checks and certification of delinquent accounts to determine if all significant functions and requirements are included.	Well Controlled with Improvements Needed
Evaluate the design and effectiveness of the system for processing the returned checks and delinquent accounts to determine if the transactions were processed timely, accurately, and completely.	Well Controlled with Improvements Needed

¹ Refer to Appendix A for classification of audit objective conclusions.

Summary of Observations

The Summary of Observations and Recommendations includes only those risks which were deemed high or moderate. There were no high or moderate risk observations and recommendations identified as a result of this audit, however, low risk observations and recommendations were considered as a part of the audit objective conclusions above.



Appendix A – Classification of Audit Objective Conclusions and Observations

Classification of Audit Objective Conclusions

Conclusion	Description of Factors
Major Improvements Needed	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.
Improvements Needed	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.
Well-controlled with Improvements Needed	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
Well-Controlled	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.