



Department of Developmental Disabilities Developmental Center - Gallipolis Audit

Audit Period: July 2012 through March 2013

Results Summary:

Objective	Conclusion
Adequacy of Controls over Resident Funds	Well-Controlled with Improvement Needed
Compliance with Central Office Policies	Well-Controlled with Improvement Needed

Report number: 2013-DDD-02

Issuance date: June 20, 2013



Executive Summary

Background

Developmental Centers (DCs) are licensed and certified as intermediate care facilities for the Department of Developmental Disabilities (DDD). DCs manage personal funds on behalf of the persons with developmental disabilities living at the centers. Therefore, DC management holds a fiduciary responsibility to protect the personal funds and assets of residents from misuse or theft.

During the audit, OIA identified opportunities for the Gallipolis DC to strengthen internal controls and improve business operations. This audit conforms to the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank Gallipolis DC staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of DDD and Gallipolis DC 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 fiscal processes at Gallipolis Developmental Center (GDC). The audit scope focused on current processes in place and resident transactions for the period July 2012 through March 2013, which included:

- Evaluate the design and effectiveness of controls over the fiscal processes at the DC.
 - Personal Needs Allowance (PNA) Activities
 - Industrial and Entertainment (I&E) Activities
- Evaluate the DC's implementation and compliance with DDD's Monthly Sweep, Cash Management, and Segregation of Duties policies.

Observations and Recommendations

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

Classification of Audit Observations

Rating	Description of Factors	Reporting Level
Low	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
Moderate	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
High	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