



Department of Public Safety

EMA - Time and Effort Reporting Audit

Audit Period: January through September 2013

Results Summary:

Objective	Conclusion
Recording Employee Payroll Data	Well-Controlled with Improvement Needed
Payroll Reconciliation	Well-Controlled with Improvement Needed

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Executive Summary

Background

The Emergency Management Agency (EMA) was created to assist the state and local governments deal with emergencies and disaster situations. EMA receives federal funding from FEMA (through the Department of Homeland Security) to be used in mitigation efforts (reducing or minimizing the impact of future disasters), disaster relief (provided to state and local governments as reimbursement for removal of wreckage and debris cause by a disaster or emergency), and emergency management assistance and training (assisting in enhancing and sustaining local governments emergency management capabilities; funding various preparedness activities; and funding eligible administrative costs).

During the audit, OIA identified opportunities for the Department of Public Safety's EMA division to strengthen internal controls and improve business operations. OIA conforms with the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank DPS and EMA 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 performed assurance work related to time and effort reporting at the Department of Public Safety's EMA division. The work was completed between August and December 2013. The audit scope included time and effort reporting during the period January through September 2013. The audit objectives were as follows:

- Evaluate the design and effectiveness of controls over the recording of employee payroll data.
- Evaluate the design and effectiveness of controls over payroll reconciliation for federal reporting purposes.

Detailed Observations and Recommendations

The Observations and Recommendations include only those risks which were deemed high or moderate. There were no high or moderate observations 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