



Opportunities for Ohioans with Disabilities

Payment Card Audit

Audit Period: January 2014 through June 2014

Results Summary:

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

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Executive Summary

Background

The State of Ohio's Payment Card Program is designed to make purchases for goods and services below a specified amount without undue delay. Use of the card 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. From January 1, 2014 through June 30, 2014, OOD had 537 payment card transactions (314 vouchers), totaling approximately \$209,000.

During the audit, OIA identified opportunities for OOD to strengthen internal controls and improve business operations. OIA conforms to the International Standards for the Professional Practice of Internal Auditing. OIA would like to thank OOD 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 controls over the payment card process. This work was completed between July and September 2014. The scope of this audit was limited to the payment card process in place during January 1, 2014 through June 30, 2014. In addition, OIA was engaged to perform consulting work over key processes related to purchases for consumers receiving vocational rehabilitation services.

The audit objectives included:

- Evaluate the design and effectiveness of controls over the agency payment card onboarding and cancellation process.
- Evaluate the design and effectiveness of controls over the agency's payment card usage in compliance with established policies and procedures.
- Evaluate the design and effectiveness of controls over asset management with the payment card.

NOTE: OIA will also perform procedures to recommend payment card efficiencies.



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 |