



Department of Developmental Disabilities Developmental Center - Cambridge Audit

Audit Period: July 2014 through June 2015

Results Summary:

Objective	Conclusion
PNA Account	Well-Controlled with Improvement Needed
I&E Account	Well-Controlled with Improvement Needed
Payment Card Administration	Well-Controlled with Improvement Needed

Report number: 2016-DDD-02

Issuance date: December 17, 2015

* Please refer to Appendix A for classification of audit objective conclusions.



Executive Summary

Background

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

The State of Ohio's Payment Card Program is designed for agencies 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. During the period July 2014 through June 2015, the Cambridge Developmental Center had 886 payment card transactions totaling approximately \$304,000.

During the audit, OIA identified opportunities for DODD 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 DODD and Cambridge Developmental Center 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 an assurance audit related to the controls over key fiscal processes at the Cambridge Developmental Center, including the Personal Needs Allowance (PNA) account, Industrial & Entertainment (I&E) account, and payment card administration for the audit period July 2014 through June 2015. This work was completed August through December 2015.

The following summarizes the objectives of the review:

- Evaluate the design and effectiveness of controls over the PNA account.
- Evaluate the design and effectiveness of controls over the I&E account.
- Evaluate the design and effectiveness of controls over payment card administration.



Detailed 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 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.

Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the observations and recommendations suggested above. However, these observations reflect our continuing desire to assist your department in achieving improvements in internal controls, compliance, and operational efficiencies.

* Refer to Appendix A for classification of audit observations.



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