OBM | Office of Internal Audit

Department of Public Safety
Asset Management Audit

Audit Period: October 2015 through February 2016

Results Summary:

Objective	Conclusion*
IT and Non-IT Asset Management	**Well Controlled with Improvement Needed**

Report number: 2016-DPS-11 **Issuance date: April 13, 2016**

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

Executive Summary

Background

The Department of Public Safety's (ODPS) duties and responsibilities generally involve criminal and traffic law enforcement, driver licensing, motor vehicle registration and titling, disaster response and recovery, and traffic safety and education program administration. To accomplish these varied tasks, the Department is organized into six divisions, with each division made up of a number of units and offices. The Department headquarters are located in central Ohio, but maintains a number of satellite locations throughout the state. The six divisions within the Department include: Ohio State Highway Patrol, Bureau of Motor Vehicles, Ohio Emergency Management Agency, Office of Criminal Justice Services, Emergency Medical Services, and Ohio Homeland Security.

At the time of the audit, ODPS maintained approximately 110,000 inventoriable items used throughout the various divisions and satellite locations. Approximately 89,000 of the inventoriable items meet the DAS definition of an asset. ODPS maintains its own asset inventory management system, AIMS, and is in the early stages of procuring a new system with enhanced tracking and reporting features. ODPS does not utilize the Ohio Administrative Knowledge System (OAKS) Asset Management system.

During the audit, OIA identified opportunities for ODPS to strengthen internal controls and improve business operations over the asset management process. A summary, along with detailed observations and recommendations, have been provided below. This audit conforms to the *International Standards for the Professional Practice of Internal Auditing*. 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 an assurance audit related to the controls over the agency's information technology (IT) and non-IT asset management processes. This work was completed October 2015 through February 2016. The scope of the engagement was related to the key asset management processes, specifically: asset recording/tagging, tracking/reporting, and transfer and disposal/salvage. The objective of the engagement was as follows:

- Evaluate the design and effectiveness of IT and non-IT Asset Management controls.

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.

During the review, OIA also identified opportunities for DPS to administer the asset management function more efficiently. These recommendations have been provided to management in a separate communication entitled 'Other Matters for Management's Attention'.

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.

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