



Environmental Protection Agency Agency Online Payment System Audit

Audit Period: January through September 2016

Results Summary:

Objective	Conclusion*
Online Payment Process	Well-Controlled

* Refer to Appendix A for classification of audit objectives.



Executive Summary

Background

The Environmental Protection Agency (EPA) establishes and enforces standards for air, water, waste management and cleanup of sites contaminated with hazardous substances. EPA also provides financial assistance to businesses and communities; environmental education programs for businesses and the public; and pollution prevention assistance to help businesses minimize their waste at the source. Ohio EPA has several regulatory divisions that play different roles in environmental protection. Each division issues permits to regulate industries that pollute in a specific area, such as air emissions or waste water discharges to rivers and streams.

EPA has built a secured eBusiness Center portal for online business services. This portal is the entry point for the regulated community and consultants to electronically complete and file reports and permit applications. The main goal of the eBusiness Center is to provide an easy to use, reliable, and secure one-stop-shop for Ohio EPA Services. Authorized users are able to update their facility and contact information directly. EPA currently offers eleven services in which consumers can complete registration, submit, and pay fees, including Air services, various Division of Materials and Waste Management services, and Electronic Discharge Monitoring Reports (eDRM). During the audit period, EPA collected approximately \$14 million from 1,650 ACH and credit card payments made via the eBusiness Center.

During the audit, OIA identified opportunities for EPA to strengthen internal controls and improve business operations. A summary, along with detailed observations, have been provided. This audit conforms to the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank EPA 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 online payment processes. The scope of the audit included EPA's online payment process from initiation of payment through reconciliation to the State's accounting system. This work was completed October through December 2016. The detailed objective of the review was as follows:

- Evaluate the design and effectiveness of controls over the EPA online payment process.



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 during this engagement. The low risk observation identified was discussed with individual agency management and is not part of this report. However, the low risk observation was 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. 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