Department of Developmental Disabilities Voyager Card and Fleet Management Audit

Audit Period: October 2016 through March 2017

Results Summary:

Objective	Conclusion*
Voyager Card Usage and Transactions	**Well-Controlled with Improvement Needed**
Vehicle Assignment and Usage	**Well-Controlled with Improvement Needed**
Monitoring of Vehicle Maintenance	**Well-Controlled with Improvement Needed**
Voyager Card ISTV Payment Process	**Well-Controlled with Improvement Needed**

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

Executive Summary

Background

The Ohio Department of Developmental Disabilities (DDD) is the primary state service agency providing services to Ohioans with developmental disabilities. DDD pays for services provided to almost 41,000 disabled individuals residing in Ohio. These services are offered to the individuals in various settings, including home and community-based environments, private intermediate care facilities (ICFs), and ten regional developmental centers located throughout the state.

As of January 2016, DDD transitioned the majority of its management responsibilities related to issuing and cancelling Voyager cards, purchasing and disposing of fleet vehicles, and ensuring fleet vehicles receive proper maintenance to the Department of Administrative Services Office of Fleet Management (DAS OFM). With this transition, DAS OFM provides leased vehicles to DDD and assigns Voyager cards to the vehicles leased. However, DDD continues to be responsible for monitoring and enforcing DAS OFM rules, ensuring the appropriate use of Voyager Cards and fleet vehicles, and the reconciliation of DDD's Voyager card transaction receipts to the monthly Voyager Card invoices. During the audit period of October 2016 through March 2017, DDD's monthly Voyager transaction totals averaged approximately $148,461. As of March 2017, DDD had approximately 239 vehicles leased through DAS, 30 of which were assigned to Central Office, and the remaining 209 assigned for use at the ten regional developmental centers.

During the audit, OIA identified opportunities for DDD 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 DDD 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 voyager card and fleet management. This work was completed April through June 2017. The scope of this engagement was limited to the key voyager card and fleet management processes managed by DDD during the period October 2016 through March 2017, and did not include Voyager or fleet-related activities performed by DAS or activities that took place at the two developmental centers slated to close by the end of fiscal year 2017.

The following summarizes the objectives of the review:

- Evaluate the design and effectiveness of controls over monitoring of Voyager Card usage and transactions.
- Evaluate the design and effectiveness of controls over vehicle assignment and usage.
- Evaluate the design and effectiveness of controls over monitoring of vehicle maintenance.
- Evaluate the design and effectiveness of controls over the Voyager Card ISTV payment process.

Detailed Observations and Recommendations

The Observations and Recommendations include only those risks which were deemed high or moderate. 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.

 * 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