



# Department of Transportation Payment Card Transaction Review Audit

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**Audit Period: July through September 2016**

## Results Summary:

Objective	Conclusion*
Payment Card Transactions	Well-Controlled

\* Refer to Appendix A for classification of audit objective conclusions.

**Report number: 2018-DOT-34**

**Issuance date: April 19, 2018<sup>^</sup>**

<sup>^</sup> Although audit fieldwork for this engagement was completed in January 2017, this audit report was not able to be issued until the date noted due to a State Audit Committee quorum issue.

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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 July to September 2016, the Department of Transportation (ODOT) had 13,497 payment card transactions across the district and central offices, totaling approximately \$4.7 million.

OIA would like to thank ODOT 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. OIA conforms to the *International Standards for the Professional Practice of Internal Auditing*.

### **Scope and Objectives**

Through the utilization of automation and data analysis, OIA staff was engaged to perform an assurance audit over payment card transactions processed July through September 2016. This work was completed during December 2016 through January 2017. The objective of the review was to evaluate the effectiveness of payment card transaction controls through data analysis.

### **Detailed Observations and Recommendations**

The Observations and Recommendations include only those risks which were deemed high or moderate. Low risk observations identified during the course of the engagement would be discussed with individual agency management and are not part of this report. However, there were no high, moderate or low risk observations identified during this engagement.

\* Please 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
<b>Well-Controlled</b>	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
<b>Well-Controlled with Improvement Needed</b>	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
<b>Improvement Needed</b>	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.
<b>Major Improvement Needed</b>	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
<b>Low</b>	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
<b>Moderate</b>	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
<b>High</b>	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