



Department of Insurance Information Technology Policy Compliance Audit

Audit Period: January 2018 – March 2018

Results Summary:

Objective	Conclusion*
Compliance with administrative policy IT-05 “Disposal, Servicing and Transfer of IT equipment.”	Well-Controlled

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



Executive Summary

Background

The Ohio Department of Insurance (ODI) regulates the business of insurance in Ohio. Its mission is to serve and protect Ohio consumers through fair and efficient regulations, provide assistance and education to consumers, and promote a competitive marketplace for insurers. To fulfill its mission, ODI leverages State of Ohio administrative policies and procedures that are used to protect public assets and information in a consistent manner across state agencies. Recognizing a need to ensure compliance with State of Ohio administrative policies and procedures, ODI requested OIA perform a review to assist the agency in assessing their compliance with the State of Ohio Administrative Policy IT-05 “Disposal, Servicing and Transfer of IT Equipment”.

IT-05 is the overall guidance for state agencies that relinquish custody of IT equipment or its components, whether temporarily (e.g. lending or servicing equipment) or permanently (e.g. donation, trade-in, lease termination or disposal of equipment).

During the audit, OIA identified opportunities for ODI to strengthen internal controls and improve business operations. This audit conforms to the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank ODI 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 agency's controls over relinquishing custody of IT equipment or its components. The audit was performed between April and June 2018. The scope of this audit included disposals, transfers, and servicing of IT equipment for the period January 2017 through March 2018. The objective of the review was to evaluate the design and effectiveness of controls over disposing, servicing, and transferring of IT equipment.

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.



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