



OBM

Office of Internal Audit

OBM Office of Internal Audit

Fiscal Year 2011 Annual Audit Plan

July 1, 2010 – June 30, 2011



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Mission Statement

The OBM Office of Internal Audit (OIA) will provide independent, objective assurance and consulting activities designed to improve management practices, identify operational improvement, and reduce agency risk exposure.

Purpose

The purpose of internal audit is to provide an independent assessment of the adequacy of internal controls throughout the organization. The Institute of Internal Auditors (IIA) provides the following definition of internal auditing:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

The role of internal auditing includes some of the following activities:

- Evaluating and improving the adequacy and effectiveness of risk management, control, and governance processes;
- Evaluating the management process to determine whether reasonable assurance exists that management objectives and operational goals are achieved; and
- Providing process and managerial consulting to improve risk management, control and governance processes.

Introduction

The OBM Office of Internal Audit has performed an audit prioritization of the 21 state agencies’ (as set forth in Ohio Revised Code 126.45) risk environment in order to develop the audit plan for fiscal year 2011. Development of the assessment was based on various risk factors to the organization, as well as interviews with various members of management and other stakeholders.

The goal of the audit prioritization and audit plan is to facilitate a process of continuous improvement in both business processes and internal controls throughout the organization with the ultimate goal of improving services to Ohio’s constituency.



FY 2011 Audit Prioritization Process

Risk Assessment Methodology

In developing the audit plan, OIA performed a risk analysis for the 21 state agencies in OIA’s oversight utilizing seven risk factors. The objective of the risk assessment is to ensure optimized assignment of audit resources through a comprehensive understanding of the audit universe and the risks associated with each universe item.

The OBM Office of Internal Audit recognizes that most state agencies are at an informal stage of enterprise risk management. OIA plans to engage agency management on enterprise risk and lead them to a maturity level where they can independently assess their enterprise risk management processes over time. In the current audit plan, we obtained agency input for two of the seven risk factors (changes in systems, processes, & people and stakeholder concerns).

The audit prioritization process included the following activities:

- Planning the assessment and identifying the audit universe.
- Conducting the risk assessment with agency management.
- Internal analysis of the results.
- Discuss draft heat map with agency management.

Audit Universe

The agency heat maps are divided into four audit universe categories. Each audit universe category may have multiple auditable areas depending upon the state agency. The four audit universe categories are as follows:

Audit Universe	Description
Financial Risks	Financial risks represent significant revenue streams, disbursement categories, or asset classifications typically associated with financial statement line items.
Operational Risks	Operational risks include auditable areas that span the state agency. These would include regional locations, institutions, outsourced activities, and IT operations.
Strategic Risks	Strategic risks represent large, emerging initiatives as well as unique processes of a state agency.
Enterprise Risks	Enterprise risks are risks common to all state agencies that result in one review for all agencies. Additionally, multi-agency reviews are risks common to a cluster of state agencies but not all 21 agencies in OIA oversight.



Risk Factors

The seven risk factors utilized for the assessment were developed utilizing IIA guidance and historical knowledge of state government, as well as best practices in internal auditing. Each risk factor was scored based on likelihood of the risk and the measure of consequence of the event. The overall goal of the risk scoring approach is to ensure that OIA audits high-risk areas in the initial year of operation and move into moderate risk areas in fiscal year 2011 and beyond.

Once the various risk factors were rated, they were weighted in order to arrive at a composite risk score for each area, which was used to determine areas to prioritize for the FY2011 audit plan.

The seven risk factors and assigned weighting are as follows:

Risk Factors	Weight	Description
Control Environment	20%	The assessed reliability of the internal control system is important in judging the likelihood of errors in the system.
Changes: System, Process, and People	20%	A dynamic environmental change, in terms of systems/processes/people, increases the probability of efficiencies as well as errors occurring. (Agency input was obtained for this risk factor.)
Stakeholder Concerns	15%	Management or other stakeholder concerns can influence the priority of an auditable area. The potential sensitive nature of data or failed processes can also be a consideration. (Agency input was obtained for this risk factor.)
Materiality	15%	This factor focuses on the financial size, complexity, or sensitive nature of auditable areas.
Potential for Fraud, Waste, and Abuse	10%	The potential for illegal acts or wasteful spending can result in a heightened consequence with public funds regardless of the dollar amount.
Prior Audits	10%	The results of prior audits influence the likelihood of future outcomes.
Financial/Operational Reporting	10%	Accuracy of reported financial activity is magnified by anticipated use by outside parties.



Preliminary Audit Scope

Audit Priorities and Resources

Based upon the audit prioritization process, OIA identified the following three priorities for the fiscal year 2011 Annual Plan:

- OIA purchased a database vulnerability tool in fiscal year 2010 and was able to provide valuable information concerning IT security to six agencies. In fiscal year 2011, OIA would like to expand the use of this tool to nine additional agencies.
- In fiscal year 2011, OIA will provide audit services to all 21 agencies in its oversight. A number of agencies have not received an IT general controls audit by an external party. OIA plans to complete an IT general controls review for 15 agencies in fiscal year 2011.
- OIA devoted significant resources and completed 15 audits related to American Recovery and Reinvestment Act (ARRA) programs in fiscal year 2010. In fiscal year 2011, OIA plans to focus new programs and follow-up on ARRA programs with previous OIA observations.

To complete the information technology and financial engagements in this plan, OIA estimates approximately 15,000 financial audit hours and 11,000 IT audit hours will be necessary. OIA has the appropriate mix of financial and IT audit staff to complete the planned engagements in fiscal year 2011.

Planned Engagements

The preliminary audit scopes for the 21 agencies represent the initial planned audits based upon and evaluation of the agency audit priorities from the heat maps and discussions with agency management. OIA reserves the right to make changes to the preliminary scopes and schedules of the annual plan based on unplanned changes in an agency's risk profile or unforeseen events.

Each state agency is provided a memorandum of understanding (MOU) at the beginning of the fiscal year which identifies OIA's planned scope, audit fees, and other general provisions. The MOU will include an allotted amount of audit hours for follow up on agency remediation of previously issued observations. In addition, OIA may include additional audit areas if time allows.

The preliminary audit scopes for each of the 21 agencies begin on page 6.



Department of Administrative Services		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security and Privacy	Medium	The Ohio Business Gateway is a critical business portal between state government and the private sector. OIA planned this engagement in fiscal year 2010 but experienced client delays. We will perform a general controls assurance audit of this site hosted by the Department.
Capital Assets	Large	The multi-agency radio communications system (MARCS) is a wireless digital network providing first response to public safety. OIA will provide an assurance audit related to operations, security, and business resiliency.
IT Security and Privacy		
IT Business Resiliency		
Payroll Deductions	Large	The Department annually remits \$900 million in payroll deductions for all state employees. OIA will provide an assurance audit of the distribution of these funds. There are discussions between the Department and the Office of Budget and Management as to the future location for the payroll deductions process.

Department of Aging		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security and Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Business Resiliency		
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.



Department of Agriculture		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security and Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Governance		
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.

Department of Alcohol and Drug Addiction Services		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security and Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Business Resiliency		
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.

Office of Budget and Management		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Ohio Shared Services	Large	The OBM has implemented a shared services function to consolidate agency common transaction processing. OIA will perform an assurance audit over the travel & expense and accounts payable processes. Also, we will provide consulting related to the transfer of payroll processing or other modules.



Department of Commerce		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security and Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Business Resiliency		
Unclaimed Funds	Large	The Department has more than 4,500,000 accounts worth over \$1.2 billion of unclaimed funds in its custody. OIA will perform an assurance audit related to the collection, disposition, and disbursement of unclaimed assets provided to the Department.

Department of Development		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security and Privacy	Large	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Governance		
IT Business Resiliency		
IT Enterprise Architecture	Small	OIA will offer consulting services related to a new data delivery project titled "Build IT".
State Development Grants	Medium	OIA will perform an assurance audit of selected state grant programs to evaluate the awarding process, monitoring, and program outcomes.
ARRA Stimulus Funds	Large	The Department has applied and received funding for various stimulus programs. We will continue to evaluate the adequacy of controls for new programs and perform effectiveness testing of key controls as appropriate.



Department of Developmental Disabilities		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Application Development	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Project Management		
IT Security and Privacy		
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.

Environmental Protection Agency		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Licenses, Fees, and Permits	Small	EPA collects approximately \$60 million annually from the solid waste disposal program. OIA will provide consulting related to a monitoring and verification process for the program.
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the EPA's significant databases as a consulting engagement.
ARRA Stimulus Funds	Small	The Agency has applied and received funding for various stimulus programs. We will evaluate the effectiveness of controls and perform assurance testing of key controls as appropriate.



Department of Health		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Payroll	Medium	The Department has made changes to a complex payroll process for allocating costs to various state and federal programs. OIA will perform a consulting engagement related to the documentation and approval process for agency payroll.
IT Security and Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
ARRA Stimulus Funds	Medium	The Department has applied and received funding for various stimulus programs. We will evaluate the effectiveness of controls and perform assurance testing of key controls as appropriate.

Department of Insurance		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Application Development	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Security and Privacy		
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.



Department of Job and Family Services		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Revenue: Federal	Extra Large	The Department changed to a subrecipient relationship with the county JFS departments in 2009. OIA will perform consulting to develop process maps and assist with the allocation of resources for county monitoring.
JFS County Operations		
ARRA Stimulus Funds	Extra Large	The Department has applied and received funding for various stimulus programs. We will continue to evaluate the adequacy of controls for new programs and perform effectiveness testing of key controls as appropriate.
IT Security and Privacy	Large	OIA will perform an assurance audit over the design of controls supporting the agency's access administration policies and procedures. This audit will include areas such as access provisioning for new hires, personnel transfers, terminated employees as well as segregation of duties and system access reviews. OIA will focus on the access to core technology components (e.g., applications, databases, servers, etc.) supporting critical business processes.
Application Development	Medium	OIA will perform consulting of the application development projects for the State Automated Child Welfare Information System. (SACWIS) This effort will cover the Financial Module, SACWIS Environment Upgrade and other sub-projects related to the SACWIS application.
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.



Department of Mental Health		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security and Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Business Resiliency		

Department of Natural Resources		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security & Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.

Department of Public Safety		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security & Privacy	Large	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Governance		
IT Business Resiliency		
Bureau of Motor Vehicles	Extra Large	OIA will perform assurance audits of the Bureau of Motor Vehicles tax distribution and the deputy registrar reconciliation processes.



Department of Rehabilitation and Correction		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security and Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Business Resiliency		
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.

Department of Taxation		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Various Taxes	Large	The Department has recently implemented changes with the tax distribution processes. OIA will perform assurance related to security and completeness of these processes.
State Tax Refunds	Large	The Department issues approximately \$1.5 billion in tax refunds annually. OIA will perform an assurance audit related to the key controls within the process.
IT: STARS Application	Medium	OIA will continue to perform consulting services related to the application development of the State Taxation Accounting and Revenue System (STARS).



Department of Transportation		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Revenue: State Sources	Large	The Department participates in a direct loan and bond financing program with local governments titled the Ohio State Infrastructure Bank (SIB). OIA will perform an assurance audit of the awarding, repayments, and monitoring of this program.
Third Party Administration/ Outsourcing	Large	The Department awards a number of construction awards to local governments in the form of Local Public Agency (LPA) agreements. OIA will perform an assurance audit of the agency monitoring of these agreements.
ARRA Stimulus Funds	Large	The Department has applied and received funding for various stimulus programs. We will continue to evaluate the adequacy of controls for new programs and perform effectiveness testing of key controls as appropriate.
IT Security and Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes to include a select number of local offices. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Governance		

Department of Veterans Services		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Veterans Payments	Medium	Based upon passage of state issue 1 in November 2009, the Department will begin disbursing payments to approximately 200,000 veterans and veteran spouses in fiscal year 2011. OIA will perform consulting and an assurance audit of the payment process.



Bureau of Workers' Compensation		
Audit Areas	OIA Level of Effort	Description of Audit Scope
Application Development	Large	OIA will perform a general controls assurance audit over technology components (e.g., servers (including virtual environments), databases, routers and firewalls) supporting BWC core business processes. This type of audit will include areas such as user access, system configurations, limited change management and monitoring functions. The audit program will be designed to account for agency standards, regulatory requirements and other industry standards (e.g., NIST, PCI).
IT Security and Privacy		
IT Security and Privacy	Medium	OIA will perform an assurance audit of the problem/incident reporting process for the Cambridge system. This review may also encompass BWC's coverage of user considerations identified through the SAS 70 audit that BWC receives on behalf of Cambridge.

Department of Youth Services		
Audit Areas	OIA Level of Effort	Description of Audit Scope
IT Security & Privacy	Medium	OIA will perform a general controls assurance audit which will focus on select technologies that support core business processes. The technologies will be assessed against a set of control objectives across areas such as security management, change management, computer operations and recoverability.
IT Enterprise Architecture		
IT Security and Privacy	Small	OIA will offer a database vulnerability assessment of the Department's significant databases as a consulting engagement.



State Agency Heat Maps

The state agency heat maps on pages 16 through 36 identify the audit priorities for the 21 agencies based upon the seven risk factors. The audit universe categories are identified on a graph based upon likelihood and impact. The likelihood is the measure of the probability of an unfavorable event occurring while impact is the measure of the consequence of an unfavorable event having on the agency. Those areas in the upper right side corner of the heat map (red boxes) represent higher audit priorities while those in the lower left side corner (green boxes) represent lower audit priorities.

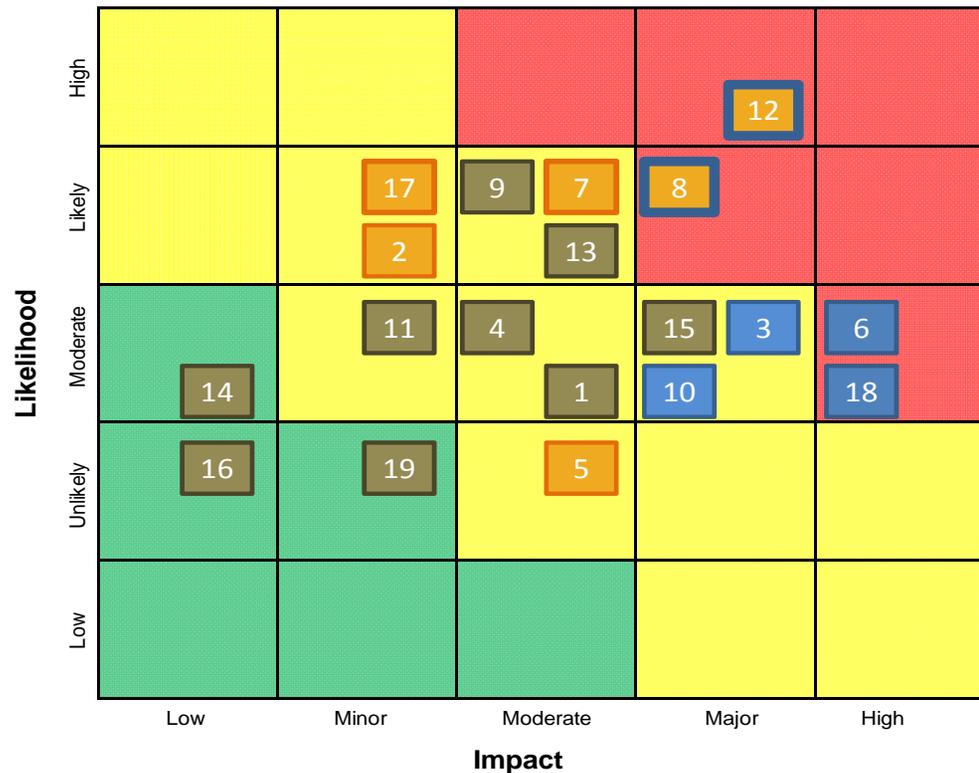
Those audit universe categories colored in blue represent planned audit areas for OIA. Based upon discussions with the Auditor of State, we have identified in orange those areas planned for audit by the AOS in fiscal year 2011. There are some areas planned for audit by both OIA and AOS while some areas are not planned by either audit group.



	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Service Fees	
2	Inventory	
3	Capital Assets	Medium
4	Expenditures: Payroll	
5	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
6	Third Party Admin. / Outsourcing	Medium
7	IT Application Development	
8	IT Business Resiliency	Medium
9	IT Enterprise Architecture	
10	IT Governance	Small
11	IT Project Management	
12	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
13	State Purchasing	
14	Insurance	
15	Human Resources	
16	Record Retention	
17	SWICAP	
18	Payroll Deductions	Large
19	ARRA Stimulus Funds	

Department of Administrative Services Audit Priorities – Heat Map

Fiscal Year 2011 Audit Plan



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

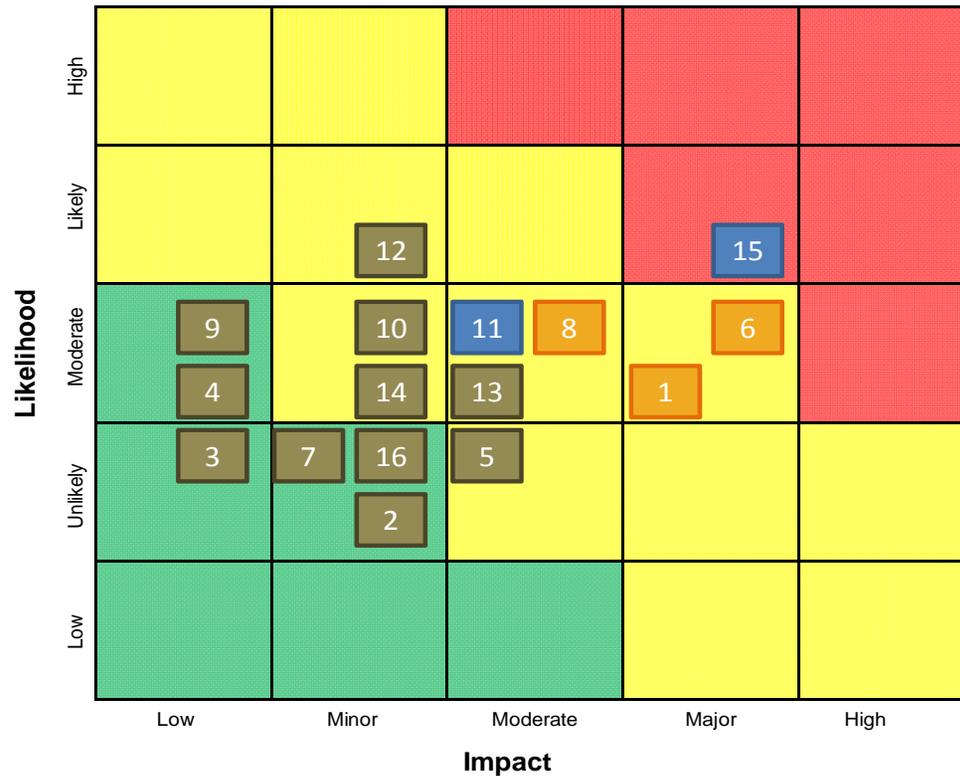
■ OIA Audits
 ■ AOS Audits
 ■ Combined
 ■ Not Planned



Department of Aging Audit Priorities – Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
FINANCIAL PRIORITIES		
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Expenditures: Payroll	
6	Expenditures: Federal Funds	
7	Expenditures: State Funds	
OPERATIONAL PRIORITIES		
8	Area Agencies on Aging (Monitoring)	
9	Third Party Administrators / Outsourcing	
10	IT Application Development	
11	IT Business Resiliency	Small
12	IT Enterprise Architecture	
13	IT Governance	
14	IT Project Management	
15	IT Security & Privacy	Medium
STRATEGIC PRIORITIES		
16	ARRA Stimulus Funds	



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

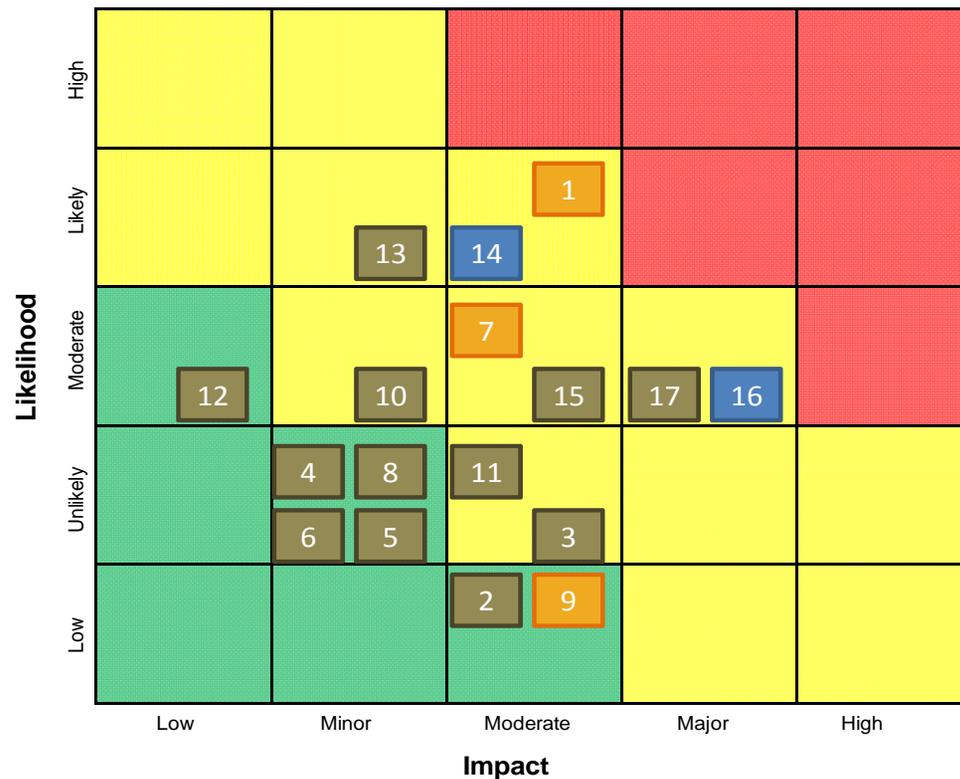
Blue OIA Audits Orange AOS Audits Grey Not Planned



Department of Agriculture Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Licenses, Fees, & Permits	
2	Revenue: Federal Sources	
3	Revenue: State Sources	
4	Inventory	
5	Capital Assets	
6	Cash Control & Investments	
7	Expenditures: Payroll	
8	Expenditures: Federal Funds	
9	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
10	Third Party Administrators / Outsourcing	
11	IT Application Development	
12	IT Business Resiliency	
13	IT Enterprise Architecture	
14	IT Governance	Small
15	IT Project Management	
16	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
17	Meat & Dairy Inspection	



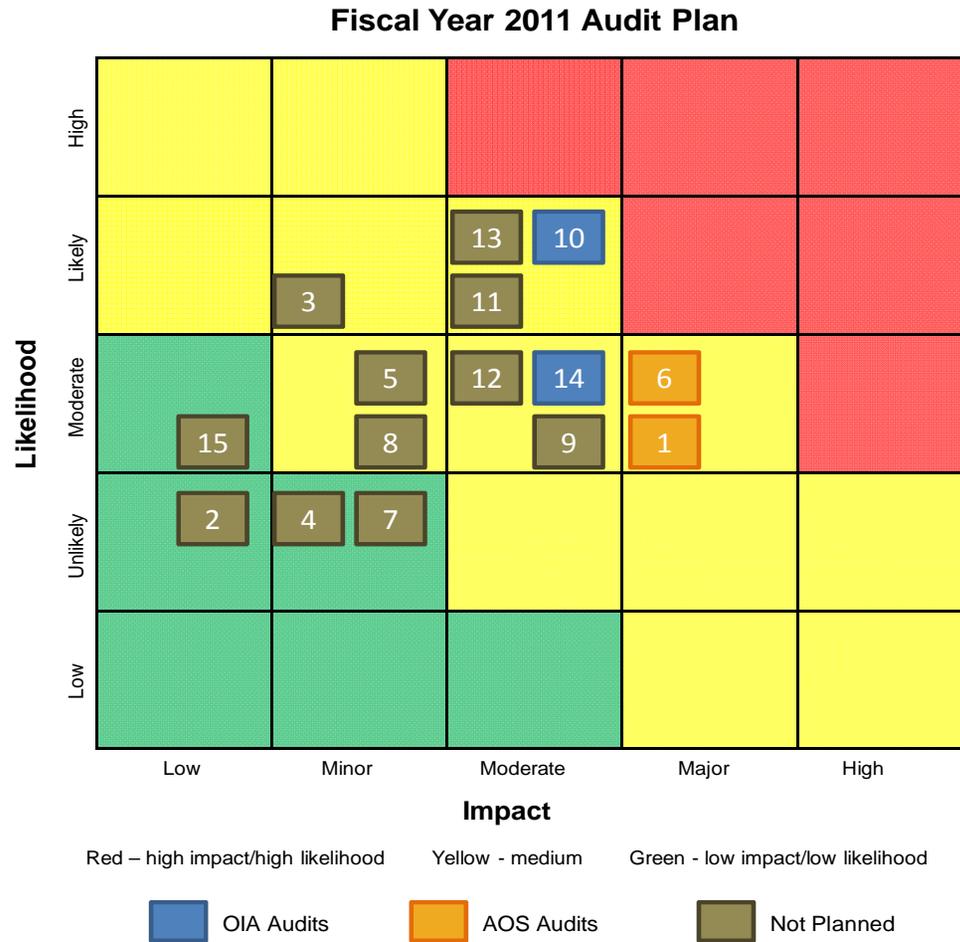
Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

OIA Audits
 AOS Audits
 Not Planned



Department of Alcohol and Drug Addiction Services Audit Priorities - Heat Map

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Expenditures: Payroll	
6	Expenditures: Federal Funds	
7	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
8	Third Party Administrators / Outsourcing	
9	IT Application Development	
10	IT Business Resiliency	Small
11	IT Enterprise Architecture	
12	IT Governance	
13	IT Project Management	
14	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
15	ARRA Stimulus Funds	

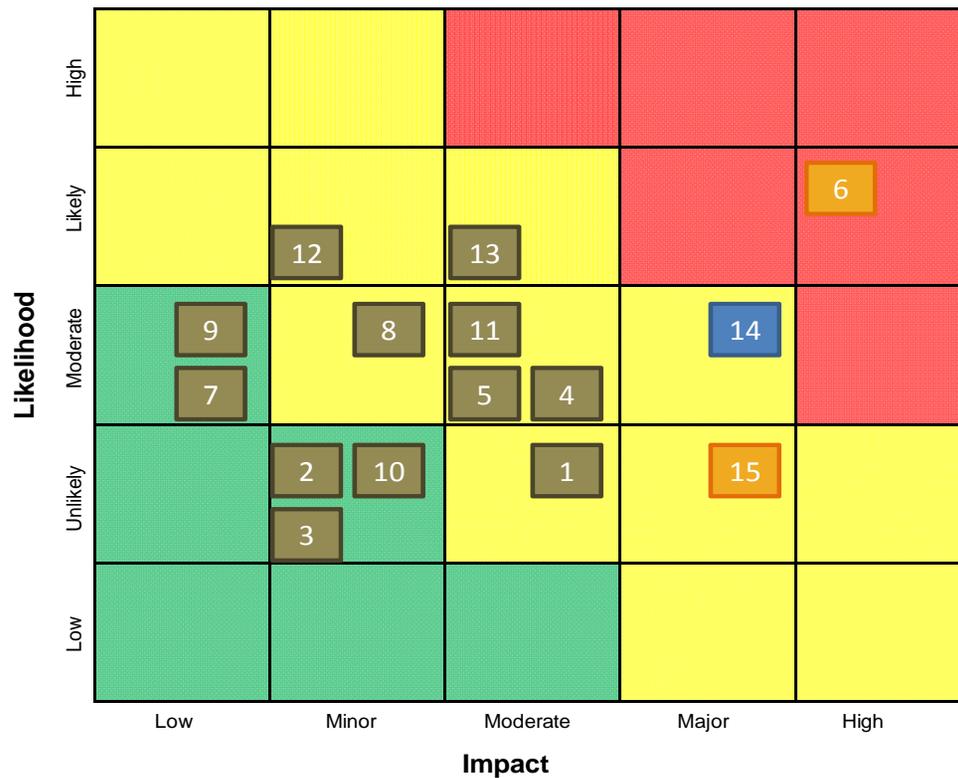




Office of Budget and Management Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Service Fees	
2	Inventory	
3	Capital Assets	
4	Expenditures: Payroll	
5	Expenditures: State Funds	
6	Financial Reporting	
	OPERATIONAL PRIORITIES	
7	Third Party Administrators / Outsourcing	
8	IT Application Development	
9	IT Business Resiliency	
10	IT Enterprise Architecture	
11	IT Governance	
12	IT Project Management	
13	IT Security & Privacy	
	STRATEGIC PRIORITIES	
14	Ohio Shared Services	Large
15	ARRA Central Reporting	



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

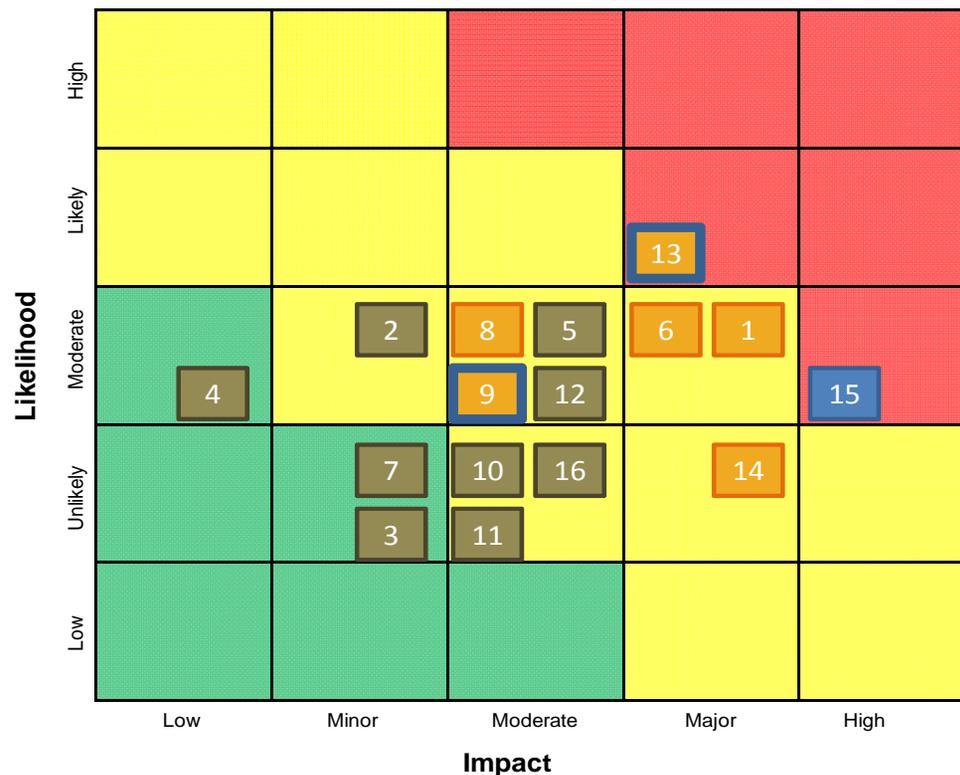
OIA Audits AOS Audits Not Planned



**Department of Commerce
Audit Priorities - Heat Map**

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Licenses, Fees, & Permits	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Expenditures: Payroll	
6	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
7	Third Party Admin. / Outsourcing	
8	IT Application Development	
9	IT Business Resiliency	Small
10	IT Enterprise Architecture	
11	IT Governance	
12	IT Project Management	
13	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
14	State Liquor Operations	
15	Unclaimed Funds	Large
16	ARRA Stimulus Funds	



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

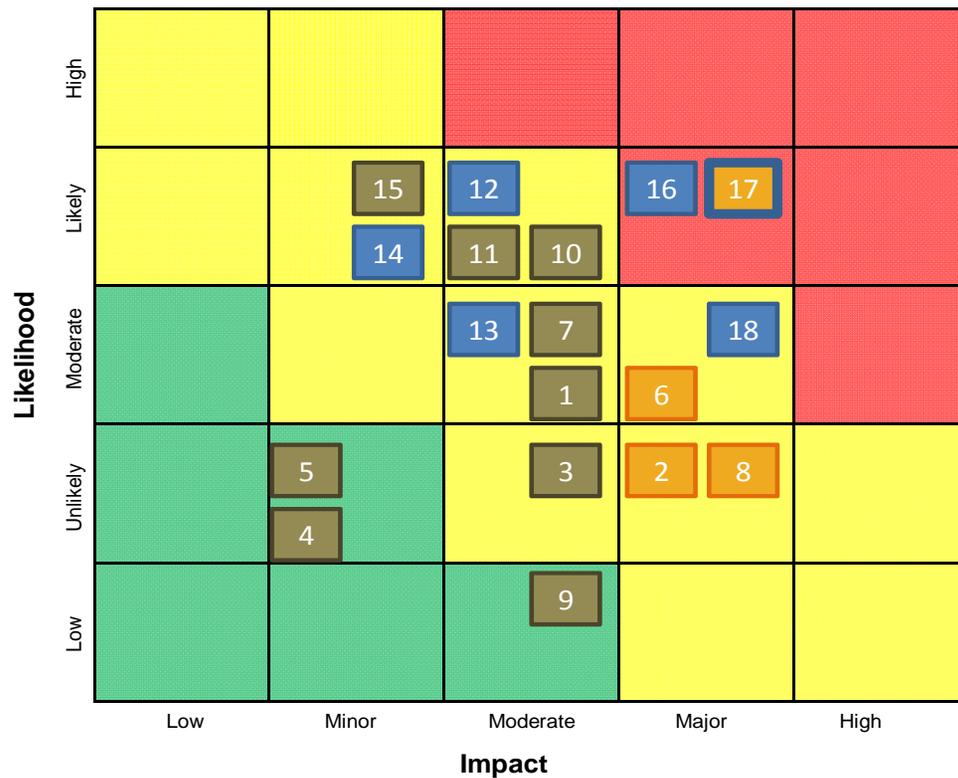
OIA Audits
 AOS Audits
 Combined
 Not Planned



Department of Development Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Licenses, Fees, & Permits	
2	Revenue: Federal Sources	
3	Revenue: State Sources	
4	Inventory	
5	Capital Assets	
6	Cash & Investments	
7	Expenditures: Payroll	
8	Expenditures: Federal Funds	
9	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
10	Third Party Administrators / Outsourcing	
11	IT Application Development	
12	IT Business Resiliency	Small
13	IT Enterprise Architecture	Small
14	IT Governance	Small
15	IT Project Management	
16	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
17	ARRA Stimulus Funds	Large
18	State Development Grants	Medium



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

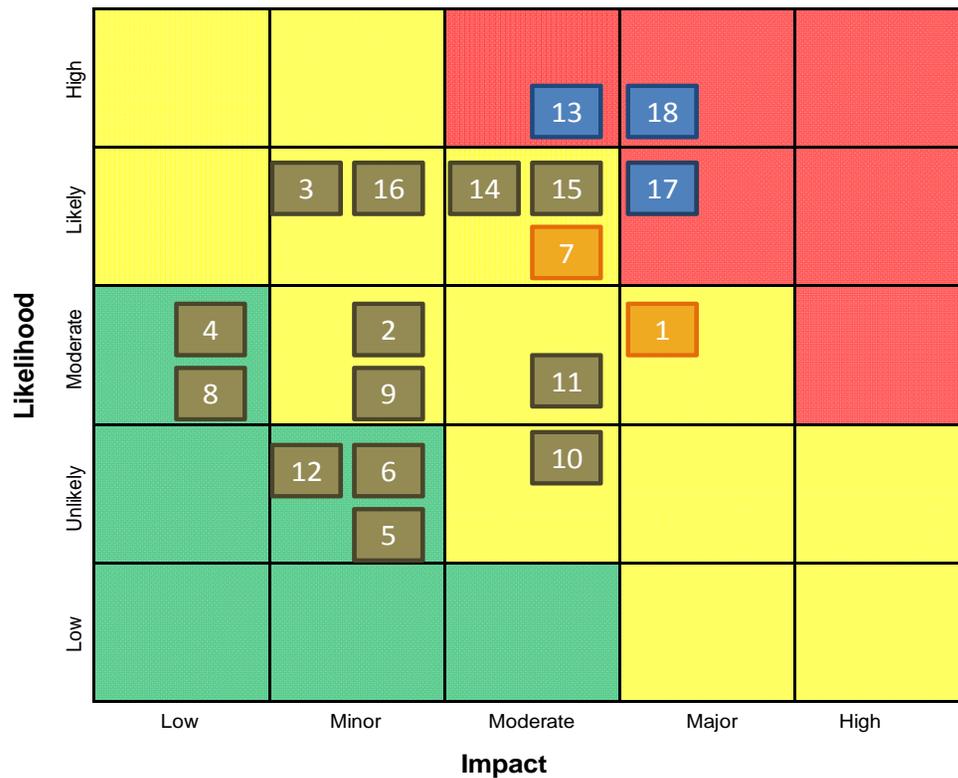
■ OIA Audits
 ■ AOS Audits
 ■ Combined
 ■ Not Planned



	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Cash & Investments	
6	Expenditures: Payroll	
7	Expenditures: Medicaid	
8	Expenditures: Other Federal Funds	
9	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
10	Medical & Pharmacy	
11	Developmental Centers (Monitoring)	
12	Third Party Administrators / Outsourcing	
13	IT Application Development	Medium
14	IT Business Resiliency	
15	IT Enterprise Architecture	
16	IT Governance	
17	IT Project Management	Medium
18	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
	None Identified	

**Department of Developmental Disabilities
Audit Priorities - Heat Map**

Fiscal Year 2011 Audit Plan



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

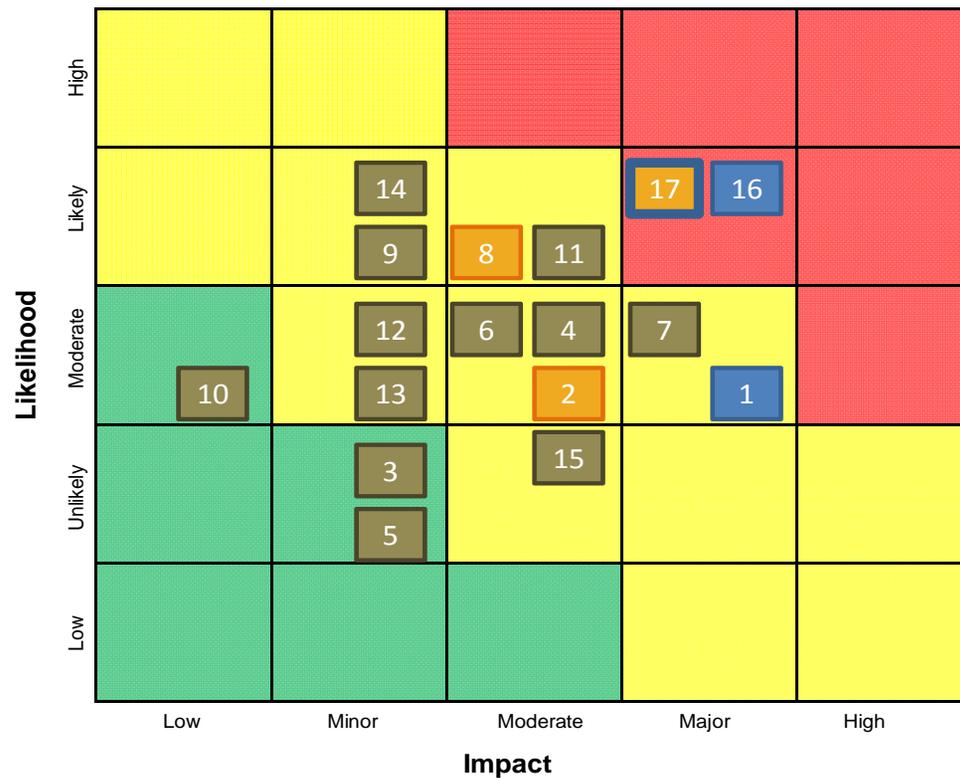
Blue box: OIA Audits Orange box: AOS Audits Grey box: Not Planned



Environmental Protection Agency Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Licenses, Fees, & Permits	Small
2	Revenue: Federal Sources	
3	Revenue: State Sources	
4	Inventory	
5	Capital Assets	
6	Cash & Investments	
7	Expenditures: Payroll	
8	Expenditures: Federal Funds	
9	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
10	Third Party Administrators / Outsourcing	
11	IT Application Development	
12	IT Business Resiliency	
13	IT Enterprise Architecture	
14	IT Governance	
15	IT Project Management	
16	IT Security & Privacy	Small
	STRATEGIC PRIORITIES	
17	ARRA Stimulus Funds	Small



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

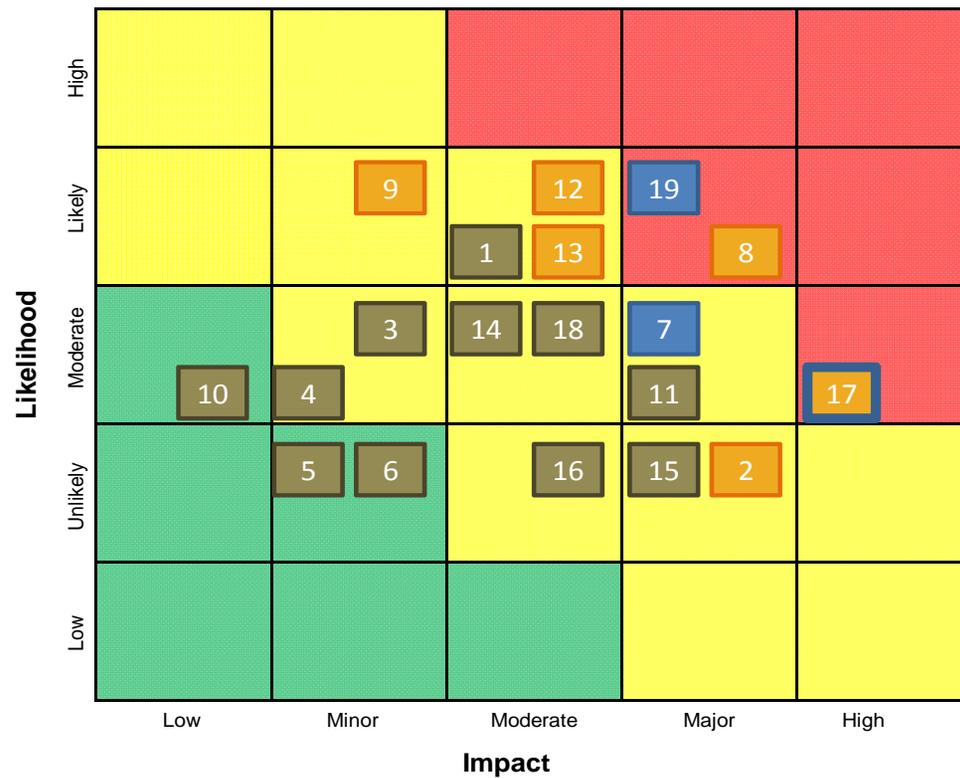
OIA Audits
 AOS Audits
 Combined
 Not Planned



Department of Health Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Licenses, Fees, & Permits	
2	Revenue: Federal Sources	
3	Revenue: State Sources	
4	Inventory	
5	Capital Assets	
6	Cash & Investments	
7	Expenditures: Payroll	Medium
8	Expenditures: WIC Federal Program	
9	Expenditures: Other Federal Programs	
10	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
11	Third Party Administrators / Outsourcing	
12	IT Application Development	
13	IT Business Resiliency	
14	IT Enterprise Architecture	
15	IT Governance	
16	IT Project Management	
17	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
18	Public Health Preparedness	
19	ARRA Stimulus Funds	Medium



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

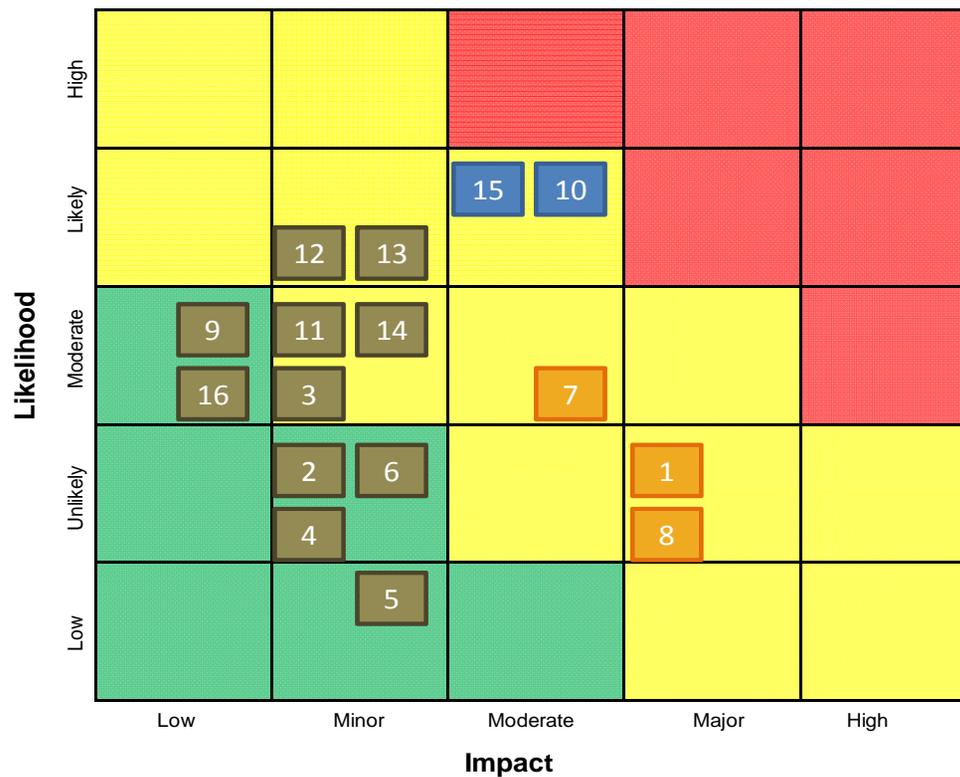
■ OIA Audits
 ■ AOS Audits
 ■ Combined
 ■ Not Planned



Department of Insurance Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Licenses, Fees, & Permits	
2	Revenue: Federal Sources	
3	Revenue: State Sources	
4	Inventory	
5	Capital Assets	
6	Cash & Investments	
7	Expenditures: Payroll	
8	Expenditures: State & Federal Funds	
	OPERATIONAL PRIORITIES	
9	Third Party Administrators / Outsourcing	
10	IT Application Development	
11	IT Business Resiliency	
12	IT Enterprise Architecture	
13	IT Governance	
14	IT Project Management	
15	IT Security & Privacy	
	STRATEGIC PRIORITIES	
16	Insurance Examination Process	



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

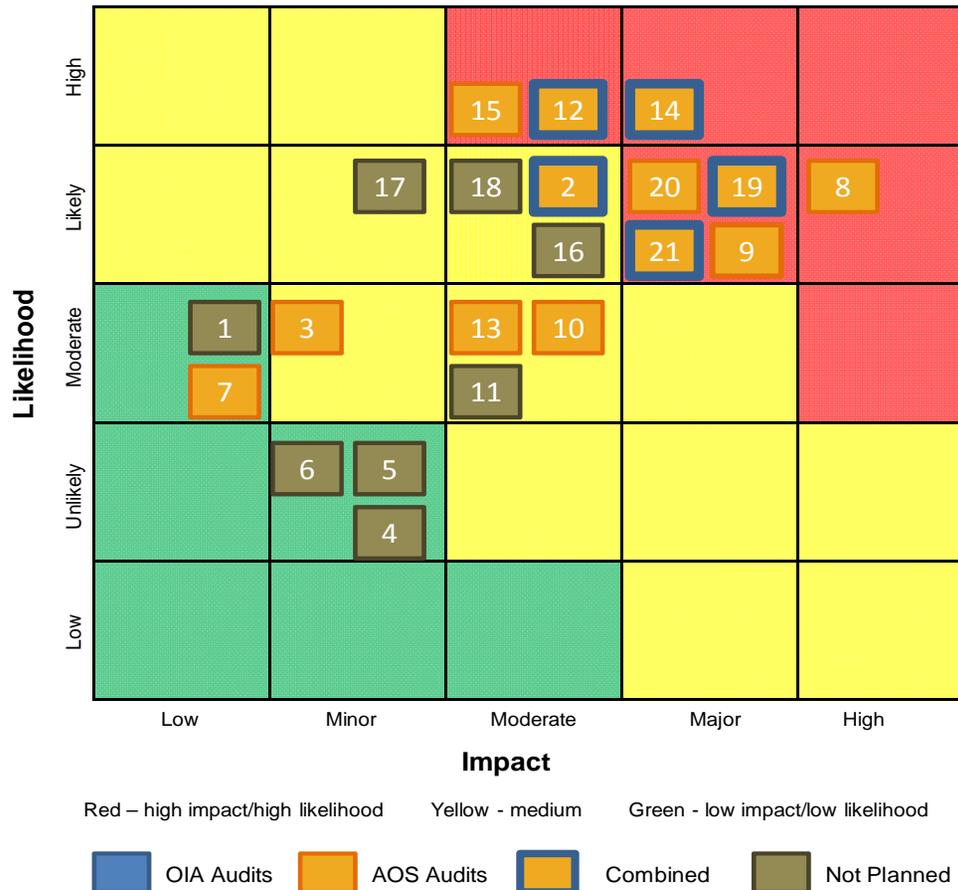
OIA Audits AOS Audits Not Planned



	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Licenses, Fees, & Permits	
2	Revenue: Federal Sources	Large
3	Revenue: State Sources	
4	Inventory	
5	Capital Assets	
6	Cash & Investments	
7	Expenditures: Payroll	
8	Expenditures: Medicaid	
9	Expenditures: Other Public Assistance	
10	Expenditures: Children Assistance	
	OPERATIONAL PRIORITIES	
11	Medical & Pharmacy	
12	JFS County Operations (Monitoring)	Large
13	Third Party Admin. / Outsourcing	
14	IT Application Development	Medium
15	IT Business Resiliency	
16	IT Enterprise Architecture	
17	IT Governance	
18	IT Project Management	
19	IT Security & Privacy	Large
	STRATEGIC PRIORITIES	
20	Unemployment Compensation	
21	ARRA Stimulus Funds	Ex. Large

Department of Job & Family Services Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

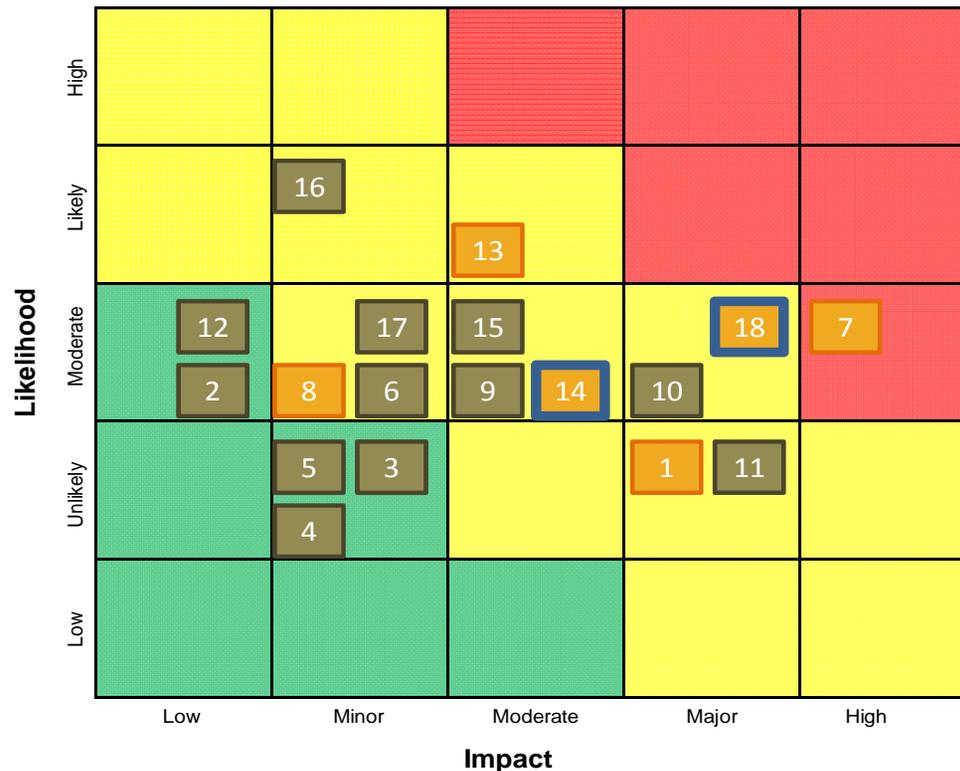




Department of Mental Health Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Cash & Investments	
6	Expenditures: Payroll	
7	Expenditures: Medicaid	
8	Expenditures: Federal (Other Programs)	
9	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
10	Medical & Pharmacy	
11	Mental Health Facilities (Monitoring)	
12	Third Party Administrators / Outsourcing	
13	IT Application Development	
14	IT Business Resiliency	Small
15	IT Enterprise Architecture	
16	IT Governance	
17	IT Project Management	
18	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
	None Identified	



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

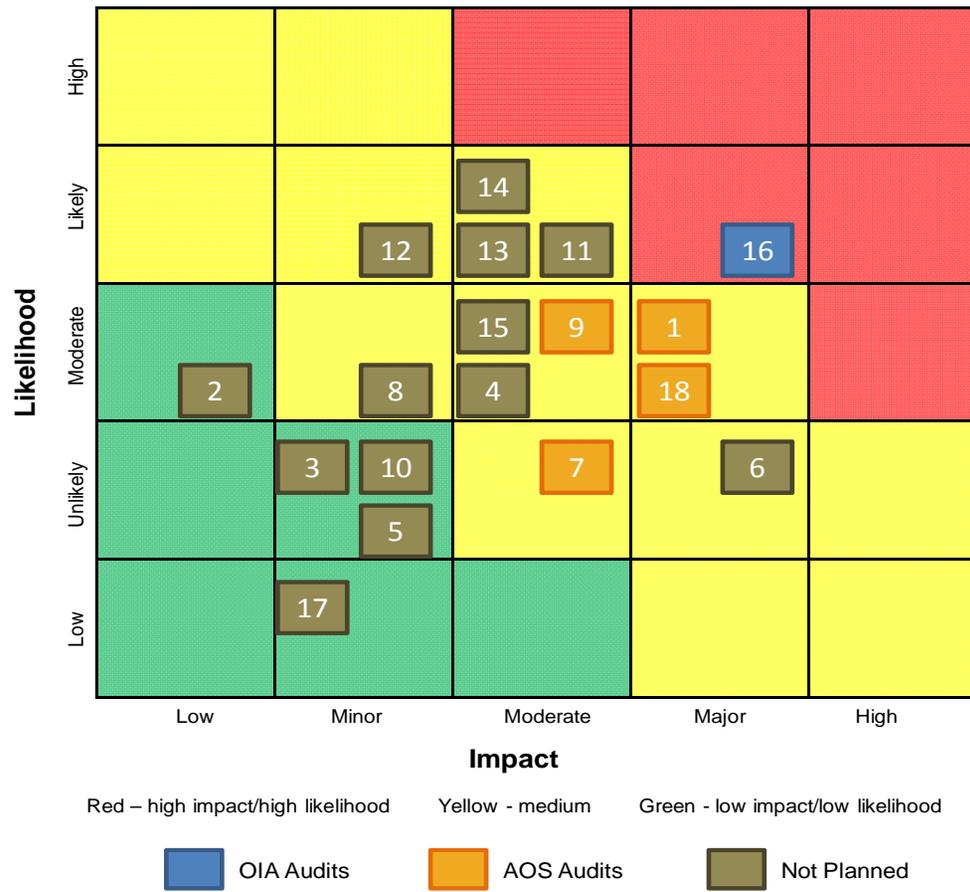
OIA Audits
 AOS Audits
 Combined
 Not Planned



Department of Natural Resources Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Licenses, Fees, & Permits	
2	Revenue: Federal Sources	
3	Revenue: State Sources	
4	Inventory	
5	Capital Assets	
6	Cash & Investments	
7	Expenditures: Payroll	
8	Expenditures: Federal Funds	
9	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
10	Third Party Administrators / Outsourcing	
11	IT Application Development	
12	IT Business Resiliency	
13	IT Enterprise Architecture	
14	IT Governance	
15	IT Project Management	
16	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
17	ARRA Stimulus Funds	
18	Hunting and Fishing Licenses	

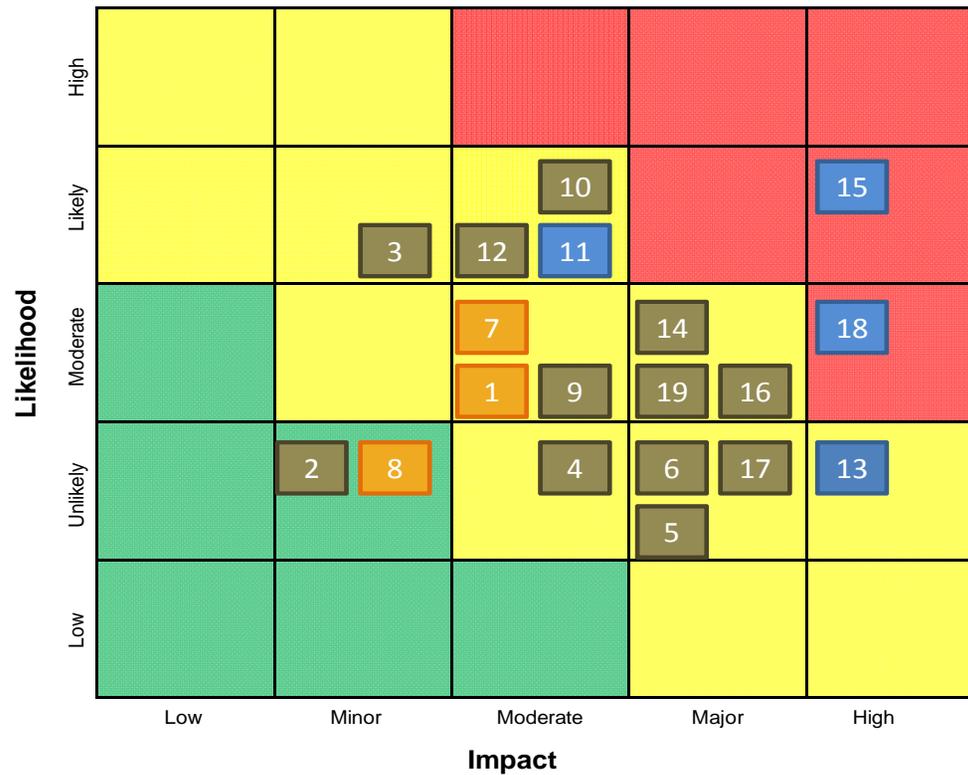




**Department of Public Safety
Audit Priorities - Heat Map**

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
FINANCIAL PRIORITIES		
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Cash Control & Investments	
6	Expenditures: Payroll	
7	Expenditures: Federal Funds	
8	Expenditures: State Funds	
OPERATIONAL PRIORITIES		
9	Third Party Administrators / Outsourcing	
10	IT Application Development	
11	IT Business Resiliency	Small
12	IT Enterprise Architecture	
13	IT Governance	Small
14	IT Project Management	
15	IT Security & Privacy	Large
STRATEGIC PRIORITIES		
16	Highway Patrol	
17	Emergency Management Agency	
18	Bureau of Motor Vehicles	Ex. Large
19	ARRA Stimulus Funds	



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

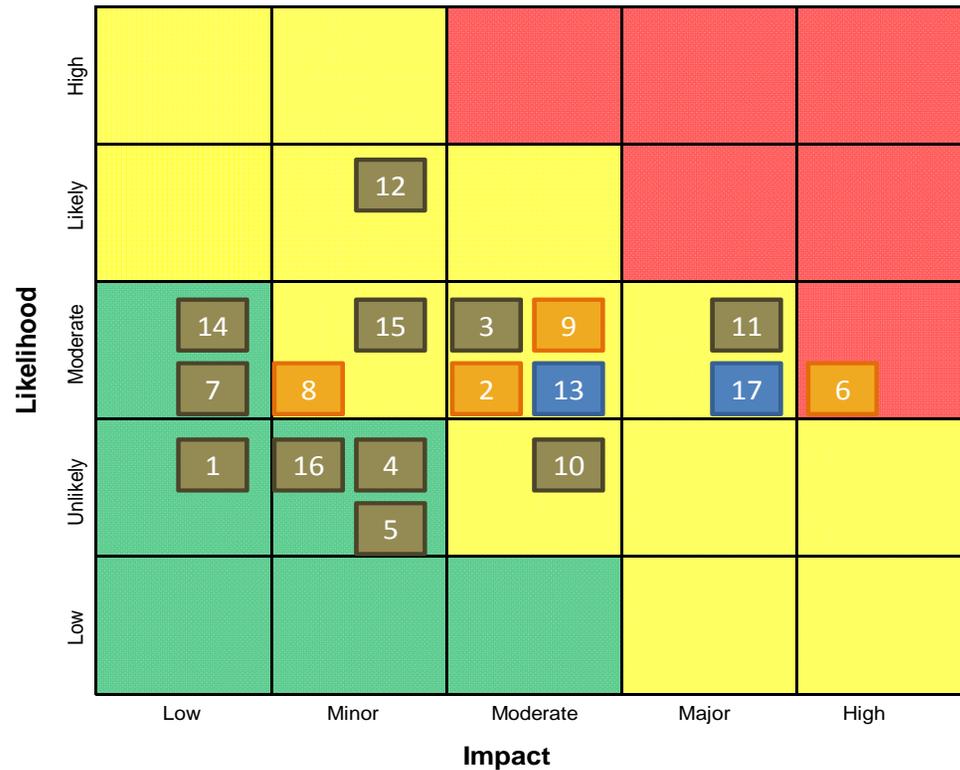
OIA Audits
 AOS Audits
 Not Planned



	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Cash & Investments	
6	Expenditures: Payroll	
7	Expenditures: Federal Funds	
8	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
9	Institutions (Monitoring)	
10	Medical & Pharmacy	
11	Third Party Administrators / Outsourcing	
12	IT Application Development	
13	IT Business Resiliency	
14	IT Enterprise Architecture	
15	IT Governance	
16	IT Project Management	
17	IT Security & Privacy	
	STRATEGIC PRIORITIES	
	None Identified	

**Department of Rehabilitation and Correction
Audit Priorities - Heat Map**

Fiscal Year 2011 Audit Plan



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

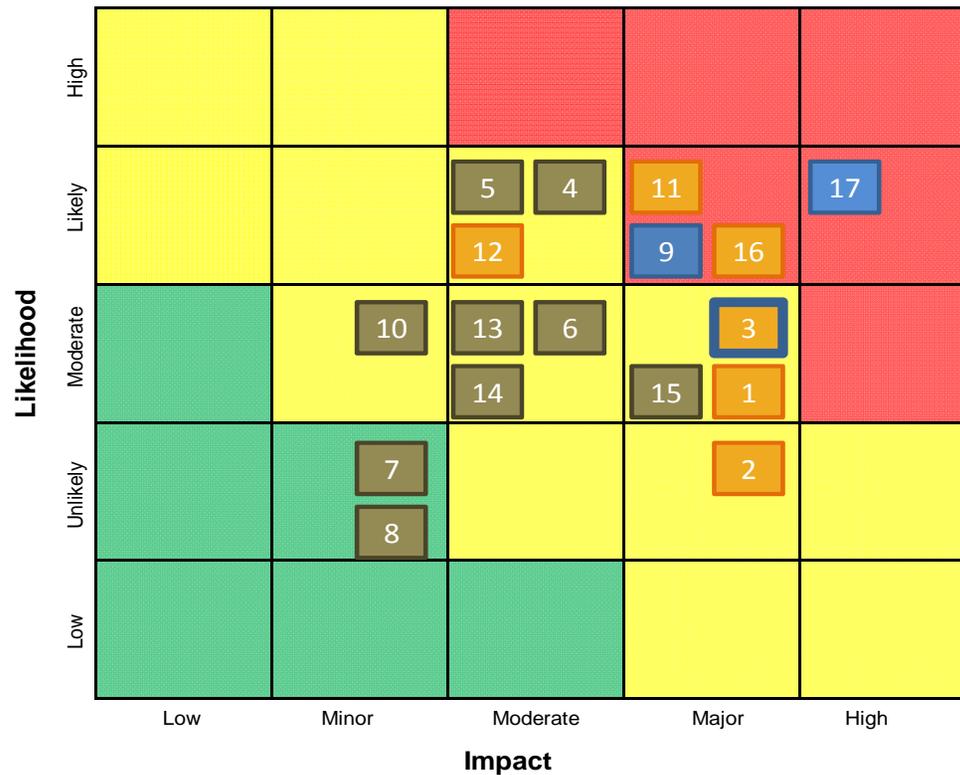
Blue ■ OIA Audits Orange ■ AOS Audits Grey ■ Not Planned



Department of Taxation Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Personal Income Tax	
2	Revenue: Sales Tax	
3	Revenue: Other Taxes and Sources	Large
4	Inventory	
5	Capital Assets	
6	Cash & Investments	
7	Expenditures: Payroll	
8	Expenditures: State Funds	
9	Expenditures: Refunds	Large
	OPERATIONAL PRIORITIES	
10	Third Party Administrators / Outsourcing	
11	IT Application Development	
12	IT Business Resiliency	
13	IT Enterprise Architecture	
14	IT Governance	
15	IT Project Management	
16	IT Security & Privacy	
	STRATEGIC PRIORITIES	
17	IT: STARS Application	Medium



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

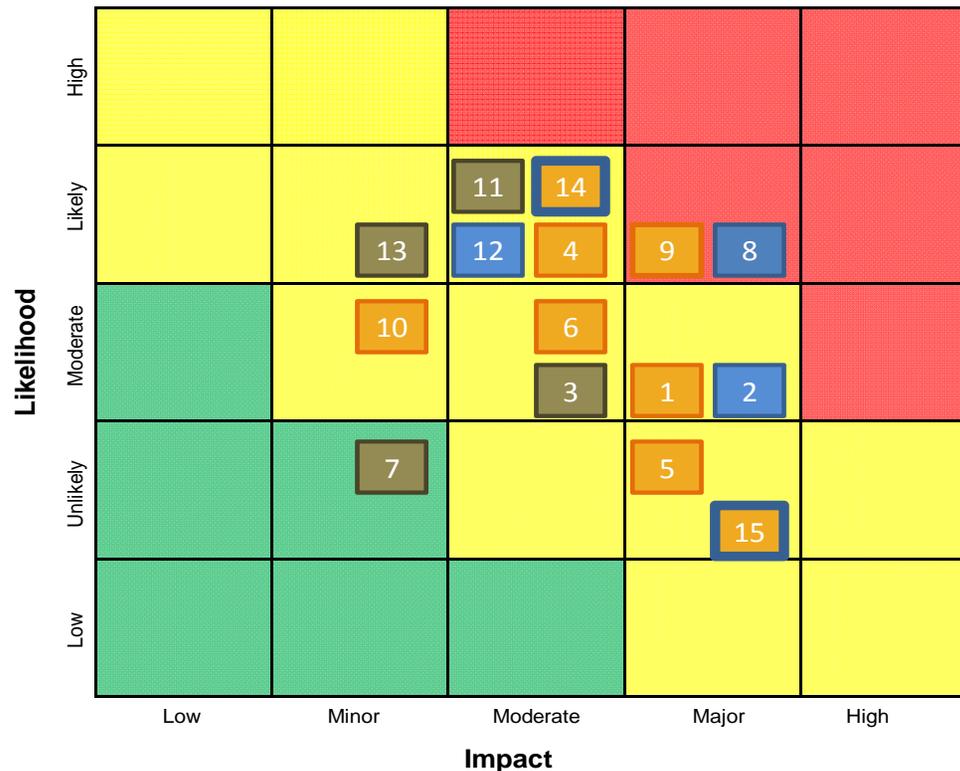
OIA Audits
 AOS Audits
 Combined
 Not Planned



Department of Transportation Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Expenditures: Payroll	
6	Expenditures: Federal Funds	
7	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
8	Third Party Admin. / Outsourcing	Large
9	IT Application Development	
10	IT Business Resiliency	
11	IT Enterprise Architecture	
12	IT Governance	Small
13	IT Project Management	
14	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
15	ARRA Stimulus Funds	Large



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

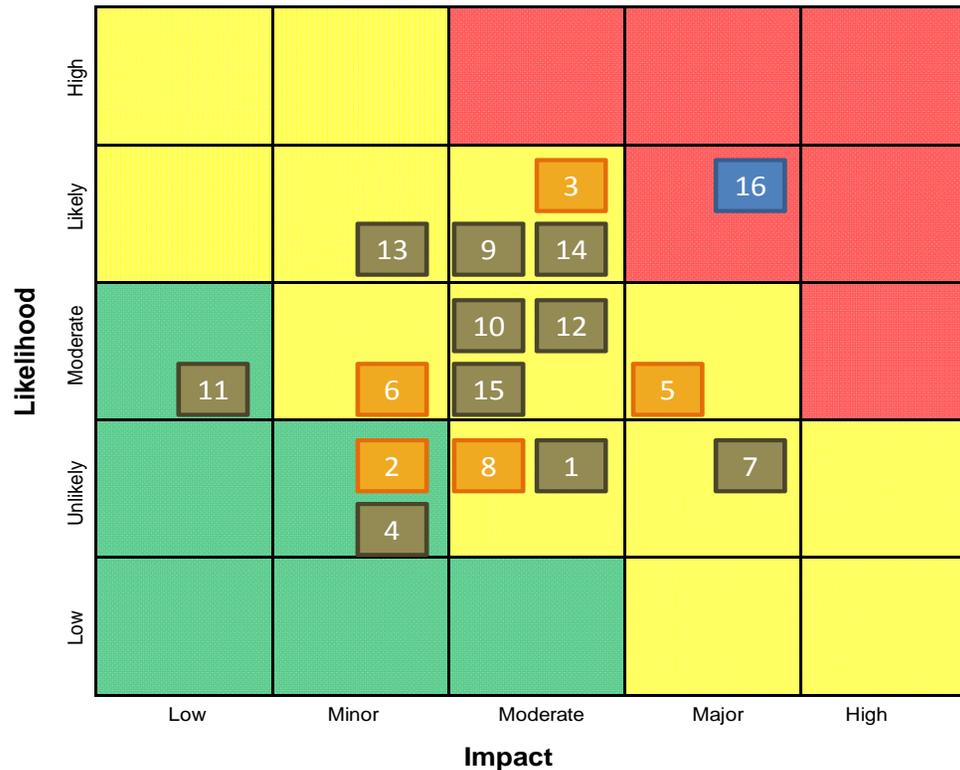
OIA Audits
 AOS Audits
 Combined
 Not Planned



**Department of Veterans Services
Audit Priorities - Heat Map**

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Cash & Investments	
6	Expenditures: Payroll	
7	Expenditures: Federal Funds	
8	Expenditures: State Funds	
	OPERATIONAL PRIORITIES	
9	IT Application Development	
10	IT Business Resiliency	
11	IT Enterprise Architecture	
12	IT Governance	
13	IT Project Management	
14	IT Security & Privacy	
	STRATEGIC PRIORITIES	
15	ARRA Stimulus Funds	
16	Veterans Payments	Medium



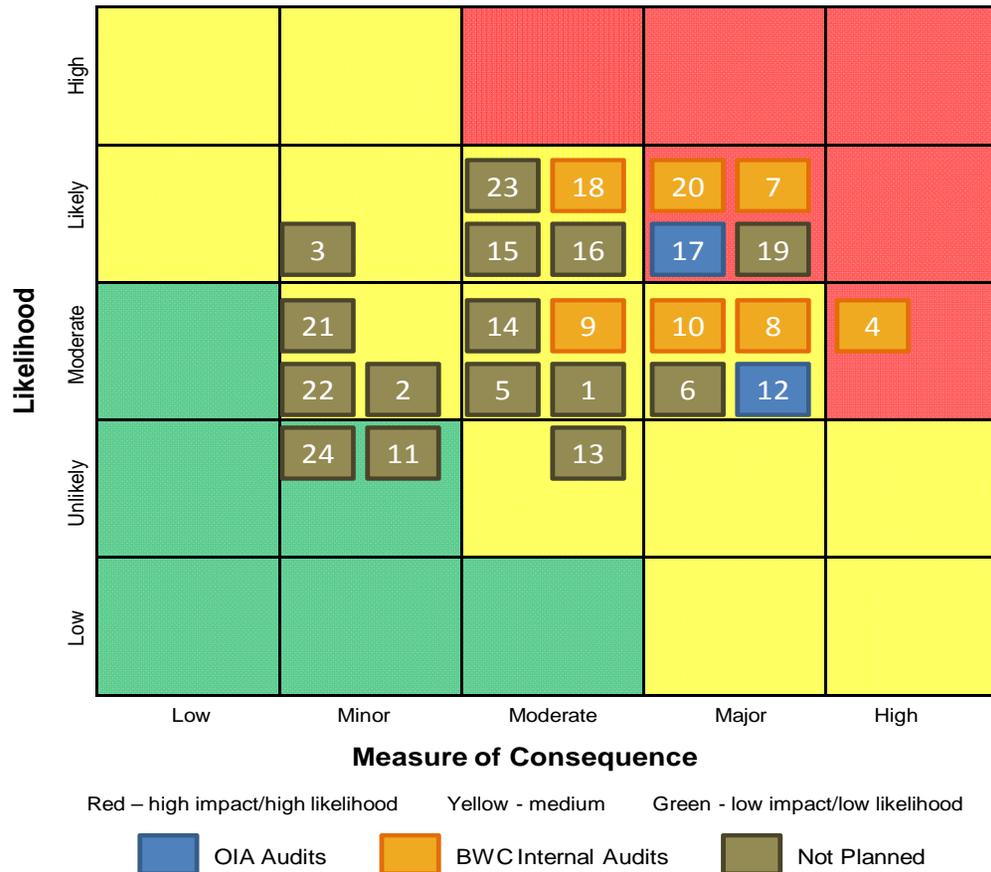
Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

OIA Audits
 AOS Audits
 Not Planned



	List of Audit Universe	OIA Level of effort
	FINANCIAL RISKS	
1	Revenue: Fees & Assessments	
2	Inventory	
3	Capital Assets	
4	Cash & Investments	
5	Expenditures: Payroll	
6	Expenditures: State Funds	
7	Expenditures: Claims	
8	Financial Reporting	
	OPERATIONAL RISKS	
9	Managed Care Organizations (Monitoring)	
10	Employer Operations	
11	Field Operations	
12	IT Application Development	Large
13	IT Business Resiliency	
14	IT Enterprise Architecture	
15	IT Governance	
16	IT Project Management	
17	IT Security & Privacy	Medium
	STRATEGIC RISKS	
18	Self-Insurance	
19	Reserves/Actuarial Analysis	
20	Rate-Making	
21	Fraud & Investigative Unit	
22	Human Resources	
23	Legal	
24	Insurance	

**Bureau of Workers' Compensation
Audit Priorities - Heat Map**
Note: BWC has a separate financial statement audit.
Fiscal Year 2011 Audit Plan

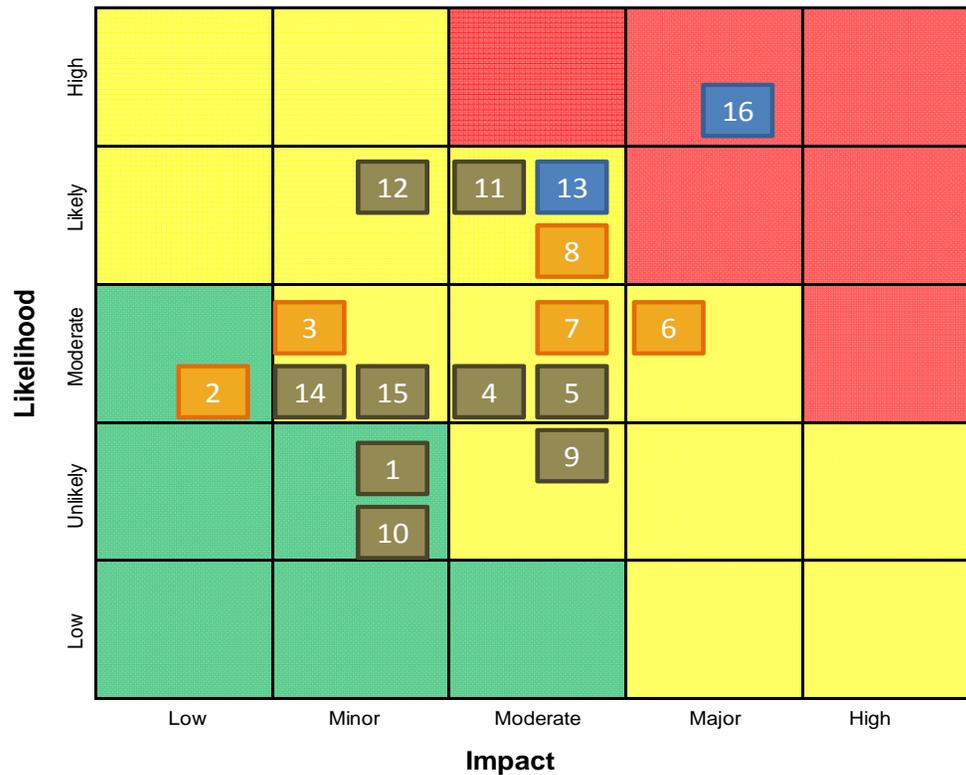




Department of Youth Services Audit Priorities - Heat Map

Fiscal Year 2011 Audit Plan

	List of Audit Universe	OIA Level of effort
	FINANCIAL PRIORITIES	
1	Revenue: Federal Sources	
2	Revenue: State Sources	
3	Inventory	
4	Capital Assets	
5	Cash & Investments	
6	Expenditures: Payroll	
7	Expenditures: State & Federal Funds	
	OPERATIONAL PRIORITIES	
8	Youth Service Facilities (Monitoring)	
9	Medical & Pharmacy	
10	Third Party Administrators / Outsourcing	
11	IT Application Development	
12	IT Business Resiliency	
13	IT Enterprise Architecture	Small
14	IT Governance	
15	IT Project Management	
16	IT Security & Privacy	Medium
	STRATEGIC PRIORITIES	
	None Identified	



Red – high impact/high likelihood Yellow - medium Green - low impact/low likelihood

OIA Audits
 AOS Audits
 Not Planned