



2019-20

Audit Plan Overview

Joint Legislative Audit Committee
February 6, 2019



Secretary of State
Oregon Audits Division

Audit Plan: Performance/IT audits

Audit topic	Agency	Potential Scope and Objectives
Child Protective Services	Department of Human Services	<ul style="list-style-type: none">• Cost effectiveness and identify impacts on children and families• Ramifications of Family First Prevention Services Act• Follow up on prior work examining case worker recruitment, training, and retention• Review controls to ensure removal criteria is equitably and consistently applied to children of all ethnicities
Employee discrimination and harassment prevention controls	Department of Administrative Services	<ul style="list-style-type: none">• Controls and practices for receiving, investigating, and resolving complaints while protecting employees• May assess intergovernmental efforts to prevent and address instances of discrimination and harassment
General Counsel: Business Transactions Section	Department of Justice	<ul style="list-style-type: none">• Processes and activities related to procurement and contract review• Customer service and satisfaction• Whether services are aligned with leading practices• If billing is appropriate and transparent

Audit Plan: Performance/IT audits

Audit topic	Agency	Potential Scope and Objectives
High School Graduation and College and Career Readiness Act (Measure 98)	Department of Education	<ul style="list-style-type: none">• ORS 327.895 requires program audit of uses and effectiveness of the High School Graduation and College and Career Readiness Fund• Initial audit will focus on governance and controls• Intended as “real-time” owing to early status of program implementation
IT modernization	Oregon Employment Department	<ul style="list-style-type: none">• Assess ongoing efforts to modernize key IT systems• Intended as a “real-time” audit
Mental health treatment services	Oregon Health Authority	<ul style="list-style-type: none">• Primarily focused on services provided by OHA• Assess the effectiveness of interagency and intergovernmental health service delivery• May determine mental health service costs• “Change of director” transition objective to provide baseline for new Behavioral Services Director

Audit Plan: Performance/IT audits

Audit topic	Agency	Potential Scope and Objectives
Personally identifiable information protection and privacy breach response	Department of Administrative Services, Office of the State Chief Information Officer	<ul style="list-style-type: none">• Governance, processes, and controls to ensure agencies implement controls to protect personally identifiable information and respond to privacy breaches
Regional solutions program	Statewide	<ul style="list-style-type: none">• Efficacy and effectiveness of Governor's Oregon Solutions Network• Review grant, loan, and incentive programs• Examine regional centers and advisory committees• Review program governance and administrative costs
Safe drinking water program	Oregon Health Authority	<ul style="list-style-type: none">• Assess state programs to protect drinking water and respond to public health issues• Review intergovernmental interactions with local government, using 2018 Salem drinking water issue as a case study

Audit Plan: Performance/IT audits

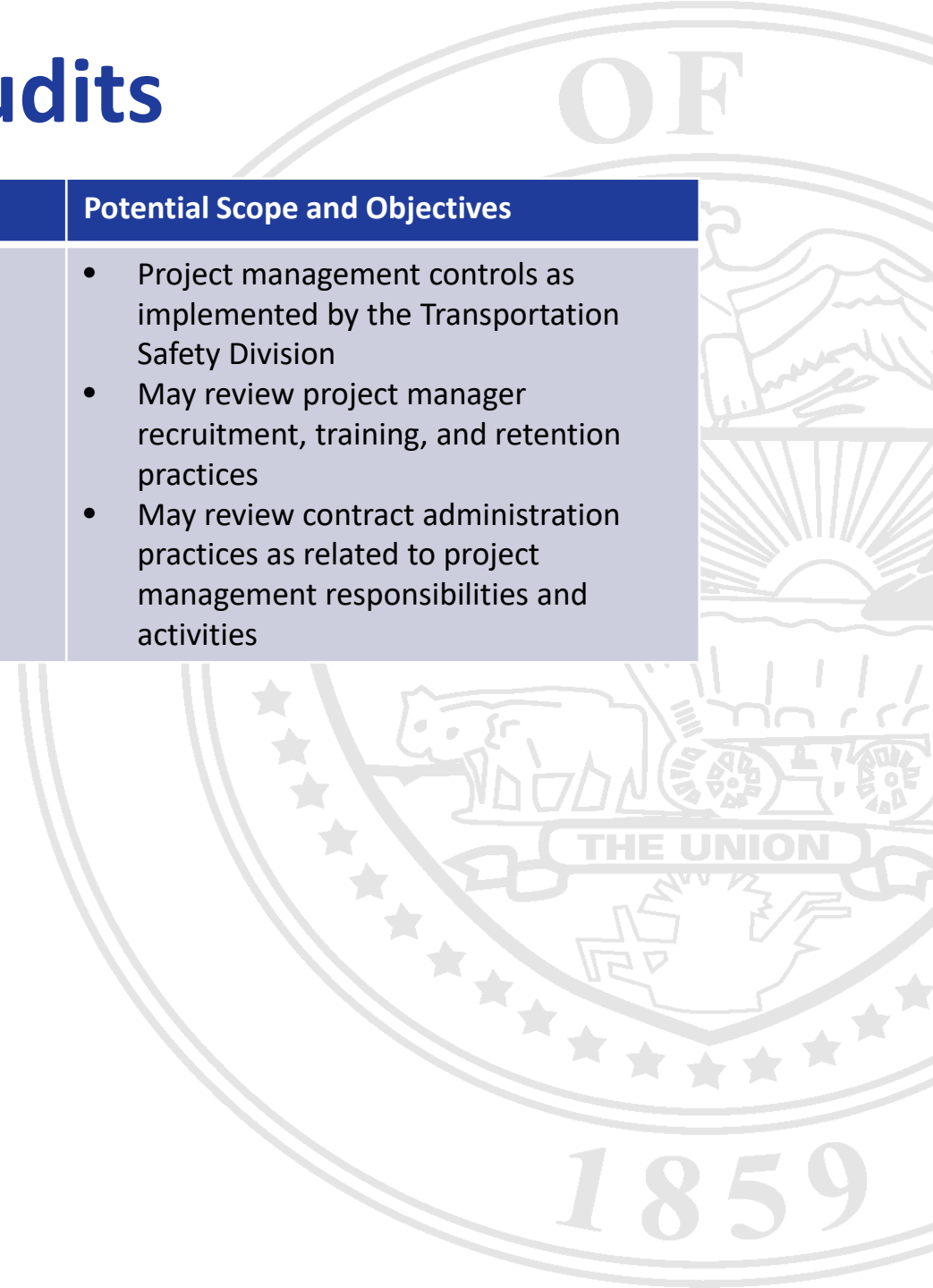
Audit topic	Agency	Potential Scope and Objectives
State property management	Department of Administrative Services	<ul style="list-style-type: none">• Efficacy of building management practices• Possible areas of focus:<ul style="list-style-type: none">• Acquisition• Occupancy• Safety• Security• Maintenance• Real estate activities• Identify cost savings and revenue enhancement opportunities
State worker health care costs	Public Employees' Benefit Board, Oregon Educators Benefit Board	<ul style="list-style-type: none">• Assess current state employee health care costs while considering other forms of compensation• Identify possible recommendations for reducing costs for both the state and individuals
Students with special needs programs	Department of Education, selected school district(s)	<ul style="list-style-type: none">• Support and special education programs intended for students with disabilities• Implementation of state special education and support programs at selected school district(s)

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Audit Plan: Performance/IT audits

Audit topic	Agency	Potential Scope and Objectives
Transportation Safety Division	Oregon Department of Transportation	<ul style="list-style-type: none">• Project management controls as implemented by the Transportation Safety Division• May review project manager recruitment, training, and retention practices• May review contract administration practices as related to project management responsibilities and activities



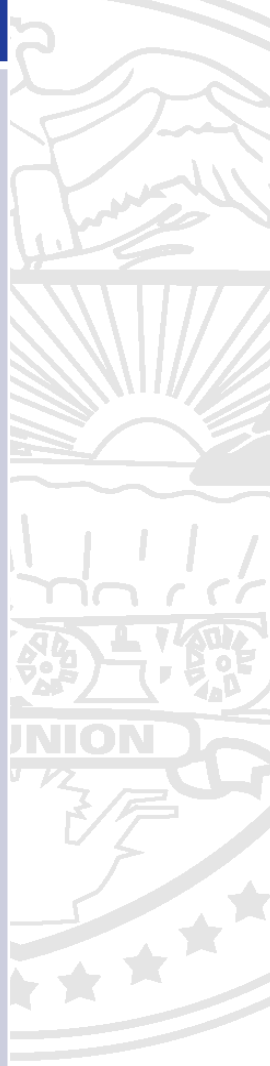
Audit Plan: Additional OAD programs

Audit topic	Agency	Potential Scope and Objectives
Data analytics program	Statewide	<ul style="list-style-type: none">• How data can be used to identify potential areas of risk or abuse and enhance audits underway or identify future topics or projects• Use ACL (Audit Command Language) and GIS (Geographic Information Systems)
IT security controls assessment program	Statewide	<ul style="list-style-type: none">• Risk assessment process to identify agencies and programs for inclusion• Four reviews planed during 2019-20 - DAS, OSP, OHA/DHS, ODE
Recommendation follow-up program	Statewide	<ul style="list-style-type: none">• Continue to conduct audit recommendation follow-up engagements• Includes an enhanced follow-up of a 2016 audit examining state fire risks and costs
Special projects	TBD	<ul style="list-style-type: none">• Bank of hours allocated for emergent and special projects, including advisory reports, throughout the year

Audit Plan: Financial audits

Audit topic	Agency	Potential Scope and Objectives
Statewide Single Audit: Part one, financial	<p>Will likely include the following:</p> <ul style="list-style-type: none"> • Department of Administrative Services • Department of Business & Consumer Services • Oregon Business Development Department • Department of Corrections • Department of Education • Employment Department • Department of Energy • Department of Environmental Quality • Oregon Department of Fish and Wildlife • Oregon Department of Forestry • Oregon Health Authority • Higher Education Coordinating Commission • Department of Human Services • Oregon Judicial Department • Department of Justice • Oregon Liquor Control Commission • Oregon Military Department • Oregon Parks and Recreation Department • Public Defense Services Commission • Department of Revenue • Department of Transportation • Housing and Community Services Department • Oregon State Lottery • Department of Veterans' Affairs • Public Employees Retirement System* • State Accident Insurance Fund* • Common School Fund at the Department of State Lands* <p>*Indicates audits that we contract with CPA firms to conduct.</p>	<ul style="list-style-type: none"> • Single audit required by federal government to receive federal financial assistance • First component audits financial statements and reporting on schedule of expenditures of federal awards
Statewide Single Audit: Part two, federal	Statewide	<ul style="list-style-type: none"> • Second component is a compliance audit of major federal awards

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Audit Plan: Financial audits

Audit topic	Agency	Potential scope and objectives
Medical Board processes	Oregon Medical Board	<ul style="list-style-type: none">• Licensing, complaint, investigations, and appeals processes
PERS financial condition	Oregon Public Employee Retirement System	<ul style="list-style-type: none">• Current picture of PERS enrollment, funding, and liabilities• Identify other practices for addressing unfunded liability in retirement systems and associated risks• Leverage analytical work developed by LFO as well as other experts and actuarial studies
Travel Oregon	Oregon Tourism Commission	<ul style="list-style-type: none">• Administrative expenses, procurement, contract administration practices

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Audit Plan: Financial audits

Audit topic	Agency
Financial statement	Oregon State Treasury
FY19 Financial statement and compliance	Department of Consumer and Business Services: Oregon Health Insurance Marketplace
FY18 Financial statement	Oregon Business Development Department: Special Public Works Fund and Water Fund
FY18 Financial statement	Oregon Department of Energy: Small Scale Energy Loan Program
FY19 Financial statement	Columbia River Gorge Commission
FY18 Financial statement	Department of Environmental Quality: Clean Water Revolving Fund
FY18 Agreed Upon Procedures	Oregon Health Authority: Safe Drinking Water Agreed Upon Procedures
Federal compliance	Department of Human Services: Supplemental Nutrition Assistance Program
Financial	Department of Administrative Services: Oregon State Payroll Application, Statewide Financial Management Application
Keeping the State of Oregon Accountable	Summary report on the results of the FY18 Statewide Single Audit
Municipal audit program	Local governments
Risk assessments and fiscal resource reviews	Various



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