

**DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF INTEGRITY AND OVERSIGHT**



**FY 2025 INTERNAL AUDIT
WORK PLAN
October 1, 2024**

OUR MISSION:

The mission of the Office of Integrity and Oversight (OIO) is to ensure that accountability, integrity, and efficiency are maintained in the financial and tax administration systems of the Government of the District of Columbia. Through its audit and investigative programs, OIO provides the Chief Financial Officer with an independent review and appraisal of OCFO operations and assures the highest standards of integrity and security of OCFO employees.

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MESSAGE TO OUR STAKEHOLDERS

This is the Office of Integrity and Oversight's (OIO) Fiscal Year 2025 (FY 2025) Internal Audit Work Plan (*Plan*), which includes planned and ongoing audits as well as non-audit projects. The planned and ongoing projects are designed to provide a reasonable assurance on the adequacy of established policies and procedures, economy and efficiency of operations, and internal controls for agencies under the purview of the independent Office of the Chief Financial Officer (OCFO).

The FY 2025 *Plan* relied on input from our stakeholders through their response to our risk questionnaire as well as our internal assessment of risks facing the OCFO. Based on their input and our internal assessment, the FY 2025 *Plan* is appropriately focused on high-risk areas and is closely aligned with the OCFO Strategic Plan. I believe our audit engagements and projects will enhance the integrity and reliability of the District's financial management and reporting systems. The OIO is staffed with professional and technically skilled auditors who continually meet the challenges of assessing, monitoring, and improving financial controls and accountability within the District.

I express special thanks to our Chief Financial Officer Glen Lee, Deputy Chief Financial Officer and Chief of Staff Angell Jacobs, Deputy Chief Financial Officers (DCFOs), Associate Chief Financial Officers (ACFOs), Executive Directors, and the Chief Risk Officer for their confidence and support of OIO's work.

Respectfully,

Timothy Barry

Timothy Barry

Executive Director

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Abbreviations and Acronyms

ACFO	Associate Chief Financial Officer
ACFR	Annual Comprehensive Financial Report
CFO	Chief Financial Officer
COTR	Contracting Officer's Technical Representative
DCFO	Deputy Chief Financial Officer
District	Government of the District of Columbia
DIFS	District Integrated Financial System
FY	Fiscal Year
HSSC	Human Support Services Cluster
IAD	Internal Audit Division
IT	Information Technology
ITGC	Information Technology General Controls
IWF	Inmate Welfare Fund
MITS	Modernized Integrated Tax System
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OCRO	Office of the Chief Risk Officer
OFOS	Office of Financial Operations and Systems
OFT	Office of Finance and Treasury
OIO	Office of Integrity and Oversight
OLG	Office of Lottery and Gaming
OMA	Office of Management and Administration
OPCSFS	Office of Public Charter School Financing and Support
OPRS	Office of Pay and Retirement Services
OTR	Office of Tax and Revenue
Plan	Work Plan
POC	Point of Contact
RPA	Returns Processing Administration
RPTA	Real Property Tax Administration
SEFA	Schedule of Expenditures of Federal Awards

INTRODUCTION

OIO is pleased to present its FY 2025 Internal Audit Work Plan (*Plan*). The *Plan* includes descriptions of planned audits to be conducted during the coming fiscal year. Additionally, the OIO provides Non-Audit services to our OCFO partners to assist with validation and verification. These services do not constitute an audit, and we ensure the services provided do not hinder or impair our independence.

We selected these projects based on risk assessments of programs and issues; input from the OCFO executive staff, agency officials, and other stakeholders.

OIO supports the mission of the OCFO, and the *Strategic Plan*. The *Strategic Plan* focuses on seven (7) strategic objectives:

- ✚ Improve Customer Service;
- ✚ Create a Culture of Continuous Improvement;
- ✚ Improve Transparency and Quality of Information;
- ✚ Manage Risk and Prevent Fraud;
- ✚ Implement Quality Financial Systems;
- ✚ Develop, Attract and Retain High Quality Employees; and
- ✚ Manage a Fair and Equitable System to Fully Collect District Revenues.

As part of our *Plan*, we have incorporated these seven (7) objectives into our on-going and planned projects. Within the description of each of the audit and non-audit engagements, we included the applicable strategic objective(s). The list of the objectives for each project is not intended to be all inclusive but highlights the objectives that best align with OIO's overall Internal Audit objectives.

Developing The Plan

In assessing the risks facing the OCFO and the District, our Work Plan has been designed around strategic segments/agencies within the OCFO. OIO sent risk questionnaires to the Deputy CFO's, Associate CFO's and Executive Directors within the OCFO to get feedback on areas of risk in their respective organizations. Internally, the OIO Internal Audit Division (IAD) developed audit topics based on our own understanding of risk areas within the OCFO. Based on the feedback we received, and audit topics developed by the IAD, we assessed the responses to determine the risk, impact, and value that the audit would add to the OCFO. Based on this assessment, we developed our risk-based *Plan*.

FY 2025 INTERNAL AUDIT WORK PLAN

The *Plan* is organized by segments/agencies, as follows:

- ✚ Office of Tax and Revenue (OTR)
- ✚ Office of Finance and Treasury (OFT)
- ✚ Office of Lottery and Gaming (OLG)
- ✚ Office of Financial Operations and Systems (OFOS)
- ✚ Office of the Chief Information Officer (OCIO)
- ✚ Office of Management and Administration (OMA)
- ✚ Cluster (Agency Financial Operations)
- ✚ Non-Audit Services

The listing of a project in the FY 2025 *Plan* does not necessarily mean that problems exist or guarantee that the engagement will be undertaken. During the year, it is not possible to plan for all the potential audits and/or projects that OIO may be requested to perform. For example, during the year OCFO executives may request an audit be initiated within their area of responsibility, or the City Council may request an audit be initiated in a specific area of government operations. To accommodate the special requests and other critical issues, OIO may find it necessary to delay or suspend an audit until the resources are available to start or re-commence the project. Should OIO consider the modifications to the *Plan* to be significant, we will modify the *Plan* to reflect the additional requests and changed priorities.

PROJECTS BY AGENCY INDEX

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FY 2025 PLANNED PROJECTS

OFFICE OF TAX AND REVENUE

The Office of Tax and Revenue (OTR)'s mission "... is to collect the proper amount of tax due to the District and correctly account for all revenues, while minimizing the burden on taxpayers and the cost to the government."

We have carried over two audits from FY 2024:

Audit of Internal Controls over Adjustments-Office of the Taxpayer Advocate [Job No. 24-01-02f OTR]

Status: Fieldwork Phase

In the event a taxpayer's account is not properly stated, an adjustment is entered into the Modernized Integrated Tax System (MITS). Each OTR administration has provided selected employees access rights to input or approve adjustments within MITS. Due to previous deficiencies identified in the processing of adjustments, this is deemed a high-risk area that requires consistent monitoring. We will conduct reviews within the administrations to determine if controls are in place to mitigate the risks associated with adjustments. The OTR DCFO requested this audit to ensure changes and procedures implemented across the agency are operating effectively.

Strategic Objectives: Improve Customer Service; Manage Risk and Prevent Fraud

Audit of Internal Controls over the Refund Process: Non-Resident Refunds [Job No. 24-01-15 OTR]

Status: Planning Phase

Taxpayers receive refunds when the amount paid exceeds the amount due. Depending on the amount of the refund, the refund is subject to tiered approval. As of FY 2021, refunds for all tax types are administered through MITS. Refunds are inherently a high-risk area; therefore, OTR requested the audit to ensure the refund process is working properly.

Strategic Objectives: Improve Customer Service; Manage Risk and Prevent Fraud; Manage a Fair and Equitable System to Fully Collect District Revenues

Our FY 2025 planned audits include the:

Audit of Internal Controls over the Offer in Compromise Program

The OTR will consider an offer to settle unpaid tax liabilities for less than the full amount due when there is a reasonable doubt as to the liability of the taxpayer or the collectability of the tax imposed under title D.C. Code § 47-4404. The goal is a compromise that suits the best interest of both the taxpayer and the OTR.

The Offer in Compromise program reduces the taxes paid to the District and is susceptible to inconsistent treatment of taxpayers. OTR management requested the audit to ensure the program is functioning as intended.

Strategic Objectives: Manage Risk and Prevent Fraud; Manage a Fair and Equitable System to Fully Collect District Revenues.

Audit of Internal Controls over the Homestead Tax Deduction Program

The Real Property Tax Administration (RPTA) Assessment Services Division administers the Homestead, Senior Citizen Tax, and the Disabled Veterans tax deduction programs which provides qualified applicants a reduction of their assessed tax value.

Due to the nature of the program, RPTA must ensure applicants meet the criteria for each program before receiving the benefit. In our previous audit, we identified internal control deficiencies as it relates to determining eligibility of recipients.

Strategic Objectives: Manage Risk and Prevent Fraud; Create a Culture of Continuous Improvement; Improve Customer Service

Audit of Internal Controls over Return Corrections in the Returns Processing Administration

The Returns Processing Administration (RPA) Suspense and Review Unit corrects returns that are suspended from normal processing within the Modernize Integrated Tax System due to line errors or missing information. This involves completing return corrections that may result in modifying taxpayer liabilities or refunds. This is a high-risk area as the review and correction is done manually and can result in reductions or increase to taxpayer liabilities and refunds which ultimately impacts Customer Service and Collection Enforcement. OIO previously conducted an audit over the RPA Suspense Unit in 2019 and identified two findings related to improving the timeliness of return corrections and updating RPA's Policies and Procedures.

Strategic Objectives: Manage Risk and Prevent Fraud

OFFICE OF FINANCE AND TREASURY

The mission of the Office of Finance and Treasury (OFT) is to manage the financial assets and liabilities of the District efficiently and effectively. This includes but is not limited to receiving, safekeeping, investing, disbursing, recording, and acquiring financial resources.

We have carried over one audit from FY 2024:

Audit of Internal Controls over Cashiering Operations - University of the District of Columbia [Job No. 24-01-13 OFT]

Status: Fieldwork Phase

The OFT places cashiering sites at key areas throughout the city including the University of the District of Columbia. OIO reviews cashiering operations on a periodic basis to provide reasonable assurance that proper internal controls are in place to prevent and detect misappropriation of the District's funds.

Strategic Objectives: Create a Culture of Continuous Improvement; Manage Risk and Prevent Fraud

Our FY 2025 planned audits include the:

Audit of the Internal Controls over the Payment Operations Center

The mission of the OFT Payment Operations Center Unit is to provide check-printing and disbursement services for District agencies so they can fulfill their payment obligations. As part of their responsibility, they are charged with check printing, as well as processing stop payments, check cancellations and Affidavits of Check Fraud for four District bank accounts: Main Disbursing, Medicaid, Payroll, and Unclaimed Property. We previously audited this area in FY 2016.

Strategic Objectives: Manage Risk and Prevent Fraud

Audit of the Internal Controls over Dishonored Check Processing

The OFT Banking Operations Unit is charged with the collection of checks issued to District agencies that are returned due to insufficient funds for all District agencies except OTR. We previously reviewed this process in FY 2012 and noted procedures were outdated. We will review the process and tracking of outstanding checks to determine how the agency ensures dishonored checks are handled properly.

Strategic Objectives: Manage Risk and Prevent Fraud

OFFICE OF LOTTERY AND GAMING

The Office of Lottery and Gaming (OLG) is a part of the OCFO, and their mission is to maximize revenue generation for the District through the sale of innovative lottery and sports wagering products while providing gaming regulation and oversight that upholds the highest standards of integrity and public trust. The OLG transfers revenue to the District’s General Fund on an annual basis to assist with providing essential services to the residents and visitors of the District.

We have carried over one audit from FY 2024:

Audit of the OLG Customer Service and Prize Claims Center [Job No. 24-01-16 OLG]

Status: Planning Phase

The OLG Customer Service and Prize Claims provides customer service to players that have questions and who visit the OLG Prize Center (at the OLG’s headquarters) to claim their prizes, typically \$600 or higher. OLG management requested that we assess the effectiveness of the customer services systems and the process for handling players’ winnings. Our audit will allow us to evaluate whether there are opportunities to improve efficiency.

Strategic Objectives: Create a Culture of Continuous Improvement; Improve Customer Service.

Our FY 2025 planned survey includes the:

Survey of the Internal Controls over OLG Tel-Sel Operations

The OLG Retailer Instant Ticket Tel-Sel Ordering, and Delivery process is utilized by retailers to order instant tickets (via telephone) and get tickets delivered to maintain inventory levels at their locations and avoid out-of-stock situations. This project was requested by OLG management and may identify opportunities to improve efficiencies in the Lottery’s the Retailer Instant Tel-Sel Ordering and Delivery process which could enhance OLG’s revenue. We have not previously conducted an audit of this area.

Strategic Objectives: Create a Culture of Continuous Improvement

OFFICE OF FINANCIAL OPERATIONS AND SYSTEMS

The Office of Financial Operations and Systems (OFOS) manages the District's overall accounting operations, fulfilling critical functions such as accounting for business events, general ledger maintenance, financial reporting, payroll processing and certain retirement-related services. OFOS has two primary functions:

- Maintaining the District's general ledger, culminating with the production of the District's Annual Comprehensive Financial Report (ACFR) at the close of each fiscal year; and
- Administering the District's payroll and retirement systems.

Our FY 2025 planned audits and surveys include the:

Audit of Internal Controls over the Handling of Receipts and Disbursements at the Office of Pay and Retirement Systems (OPRS)

The OPRS is responsible for the District's payroll processing. As part of these responsibilities there may be the receipt of payments or need to disburse payments to employees and separated employees for payroll related transactions and benefits. We have not previously audited this area, and it is deemed high risk due to the handling of payments.

Strategic Objectives: Create a Culture of Continuous Improvement; Manage Risk to Prevent Fraud

Survey of the District's Bank Reconciliation Process

OFOS reconciles select District bank accounts to DIFS and monitors the reconciliations completed by other District agencies to ensure reconciling items are investigated and resolved timely. The bank reconciliation process was previously reviewed in 2014 as part of our external audit remediation procedures and was requested by the Deputy CFO.

Strategic Objectives: Create a Culture of Continuous Improvement; Manage Risk to Prevent Fraud

OFFICE OF THE CHIEF INFORMATION OFFICER

“The Office of the Chief Information Officer (OCIO) is the technology organization for the Office of the Chief Financial Officer (OCFO) of the District of Columbia. OCIO acquires, develops, enhances and maintains financial systems and tools that help to enforce the financial policies and laws that govern the District and enable timely and accurate reporting of the District's financial status.”¹

We have carried over one project from FY 2024:

District Integrated Financial System (DIFS) Risk Assessment [Job No. 24-03-08 OCIO]

Status: Reporting Phase

The District Integrated Financial System (DIFS) was implemented in FY 2023. This risk assessment will be conducted using the NIST Risk Management Framework (RMF). Applying the RMF steps and associated tasks to DIFS can serve as a gap analysis mechanism to determine if the organization's security and privacy risks have been effectively managed.

Strategic Objectives: Implement Quality Financial Systems Create a Culture of Continuous Improvement

Our planned FY 2025 projects include the:

District Integrated Financial System (DIFS) Risk Assessment: Information Technology General Controls (ITGC)

DIFS is an Oracle based accounting and financial system of record of the District and was implemented in FY 2023. As a newly implemented system, we will identify and assess the ITGC's through a survey to evaluate identity access management, privileged users, multi-factor authentication, patching, and the update process.

Strategic Objectives: Create a Culture of Continuous Improvement; Implement Quality Financial Systems, Improve Transparency and Quality of Information

¹ [Office of the Chief Information Officer | ocfo \(dc.gov\)](https://ocfo.dc.gov)

District Integrated Financial System (DIFS) Risk Assessment: Application Controls

DIFS is an Oracle based accounting and financial system of record of the District and was implemented in FY 2023. As a newly implemented system, we will assess Application Controls to determine how data is managed to include database administration, input and output controls (including interfaces with other systems) and change management.

Strategic Objectives: Create a Culture of Continuous Improvement; Implement Quality Financial Systems, Improve Transparency and Quality of Information

OFFICE OF MANAGEMENT AND ADMINISTRATION

The Office of Management and Administration (OMA) is responsible in part for developing and implementing the annual OCFO budget and financial plan as well as processing OCFO vendor payments.

Our planned FY 2025 audit includes the:

Audit of Internal Controls over OCFO Vendor Payments

The OCFO must comply with the Quick Payment Act in payment to vendors. The purpose of this audit is to identify and evaluate the current internal controls in place, identification of potential overpayments and underpayments to vendors, duplicate payments, and opportunities for improvement to the vendor payment process.

Strategic Objectives: Create a Culture of Continuous Improvement; Manage Risk to Prevent Fraud

CLUSTER

Associate Chief Financial Officers (ACFOs), report directly to the District’s CFO and serve as the CFO’s key representatives to the city administrator and the deputy mayors in managing the city’s finances and the government’s programmatic priorities. ACFO’s manage the following financial clusters: Economic Development and Regulation; Education; Government Operations, Government Services; Human Support Services; and Public Safety and Justice.

Our planned FY 2025 Clusters audit includes the:

Audit of Internal Controls over the Gift Card Program at Selected Agencies of the Human Support Services Cluster (HSSC)

The HSSC uses gift cards as an alternative method of disbursing program services, which may include, but is not limited to retail store cards, and Metro Smart-trip cards. This follow-up audit was requested by the HSSC Associate Chief Financial Officer.

OIO previously conducted an Audit of the HSSC gift card program in FY2018-FY2019 and identified internal control deficiencies related to compliance with procedures, recordkeeping, and monitoring.

Strategic Objectives: Manage Risk and Prevent Fraud; Create a Culture of Continuous Improvement

Audit of the Inmate Welfare Fund Financial Statements for the Fiscal Year Ended September 30, 2024

This audit is required pursuant to D.C. Code §24-282. D.C. Code §24-282 (e), in pertinent part states: The Fund shall be subject to annual audits scheduled by the Office of the Chief Financial Officer, which shall be submitted to the Council no later than February 1 of each year. The scope of audit shall include an examination of the Department’s use of Fund profits, including stocking the commissaries, low bond releases, providing inmate clothing upon release, and funding transportation costs for the inmate after release. The audit reports shall be submitted to the Council and the Mayor.

Strategic Objectives: Improve Transparency and Quality of Information

Audit of the New Columbia Statehood Fund Statement of Revenues and Expenditures for the Fiscal Year Ended September 30, 2024

This audit is required pursuant to D.C. Law 20-271, which states: “All revenues and expenses of the New Columbia Statehood Fund shall be audited annually by the Chief Financial Officer, who shall transmit the audit to the Mayor and the Council. The expenses of the annual audit shall be defrayed by the New Columbia Statehood Fund.”

Strategic Objectives: Improve Transparency and Quality of Information

***Audit of the Office of Public Charter School Financing and Support (OPCSFS)
Statement of Revenues and Expenditures for the Fiscal Year Ended September 30,
2024***

Pursuant to Public Law 108-335 which states: “The Office of the Chief Financial Officer shall conduct an annual audit of the funds expended by the Office and provide an annual Financial Report to the Mayor, the Council of the District of Columbia, the Office of the District of Columbia Treasurer and the Committees on Appropriations of the House of Representatives and Senate for these funds showing, by object class, the expenditures made and the purpose thereof.”

Strategic Objectives: Improve Transparency and Quality of Information

NON-AUDIT SERVICES

The OIO provides services to our OCFO partners to assist with validation and verification. These services do not constitute an audit conducted in accordance with Generally Accepted Government Auditing Standards. We ensure that the services provided do not hinder or impair our independence.

Our planned FY 2025 non-audit services include the:

Verification of the Business Self-Assessment Process at the Office of Tax and Revenue

The Office of the Chief Risk Officer (OCRO) established the self-assessment internal control program at the Office of Tax and Revenue to test controls on a monthly/quarterly basis to ensure that controls are functioning as designed. The verification by OIO will provide additional assurance, that the conclusions reached in testing are proper and adequately supported.

Strategic Objectives: Create a Culture of Continuous Improvement; Improve Transparency and Quality of Information; Manage Risk and Prevent Fraud

Follow-up Procedures of the FY 2024 Independent Auditor’s Report on Internal Control over Financial Reporting and the Annual Comprehensive Financial Report (ACFR) Management Letter

The Office of Financial Operations and Systems obtains corrective action plans from effected agencies to mitigate the deficiencies identified by external auditors. The OIO provides an independent verification that actions were implemented as stated.

Strategic Objectives: Create a Culture of Continuous Improvement

CONTRACT ADMINISTRATION

Single Audit Coordination of the District’s FY 2020-FY 2024 Single Audit Contract [Contract No. CFOPD- 20-C-009: Single Audi Services FY2021-FY2025]

The Single Audit is mandated by law for agencies that receive federal financial assistance. The OCFO is responsible for the contracting of the required Single Audit of the District’s Federal grant funds. OIO was tasked with the responsibility of acting as the COTR for this contract.

The objectives of this project are to: (1) prepare the FY 2023 Schedule of Expenditures of Federal Awards (SEFA) for submission to the external auditors in accordance with the requirements as outlined in the Uniform Grant Guidance and the Federal Audit Clearinghouse Data Collection Form for Single Audit Submission; (2) prepare the Summary Schedule of Prior Audit Findings and Management Corrective Action Plan for submission to the external auditors; (3) follow-up on Single Audit issues, including alerting agencies on the consequences for not providing the requested documentation to the external auditors; (4) follow-up on Cognizant Federal Agency and other Federal Grantor Agencies communications on the Single Audit findings; (5) prepare for the Single Audit reporting phase close-out, including submission of the Federal Form – SF-SAC (Data Collection Form) to the Federal Audit Clearinghouse; and (6) fulfill the functions of the COTR for the Single Audit contract including: (a) monitoring the independent accountants conducting the audit; (b) assisting in resolution of the issues impacting the Single Audit with the contactors, Single Audit Committee, and the agencies who are recipients of the grant funding. This project does not produce a specific report for the oversight function. It is critical to the management of the contract.

Strategic Objectives: Improve Transparency and Quality of Information; Create a Culture of Continuous Improvement

**Summary of Planned and Ongoing Projects
Fiscal Year 2025**

Agency/Segment	Ongoing as of Oct. 1, 2024	FY 2025 Projects		
		Mandatory	Planned	Total
Office of Tax and Revenue	1		3	4
Office of Finance and Treasury	1		2	3
Office of Lottery and Gaming	1		1	2
Office of Financial Operations and Systems	-		2	2
Office of the Chief Information Officer	1		2	3
Office of Management and Administration			1	1
Cluster	-	3	1	4
Non-Audit Services	-		2	2
Total	4	3	14	21

Note: Mandatory Audits are required by statute or regulation.

APPENDIX A: THE AUDIT PROCESS

OIO's audit process includes several integrated steps that assist us in accomplishing our objectives. These include the announcement of the audit (Engagement Memorandum), an Entrance Conference, the Planning and Fieldwork Stage, an Exit Conference with the agency officials impacted by the audit results, the Audit Report process, and the Audit Follow-up process. We have provided a brief explanation of each of these processes in the following paragraphs.

Engagement Memorandum

Prior to the start of an audit, OIO generally sends an Engagement Memorandum to the agency head(s) involved with the project. The memorandum includes the audit title, a project number, an outline of the planned objectives, the period covered by the audit, and the planned start date. Additionally, the Memorandum also explains that OIO will hold an Entrance Conference to provide the appropriate OCFO managers with information about the audit. In some instances, OIO will not send an Engagement Memorandum. This is done when the audit is on a surprise basis. In those instances, we will send an Engagement Memorandum to the impacted OCFO officials after the start of the audit.

Entrance Conference

OIO holds an Entrance Conference with the OCFO senior managers and agency officials of the program whose operations will be audited. At the Entrance Conference, the auditors will provide detailed explanations of the audit planned objectives, the period that will be covered by the audit, the audit methodologies that will be used, and the formal reporting process. If management requested the audit, we discuss the specific areas of interest or problems they have noted. During this meeting OIO encourages the agency officials to bring to the audit team's attention any concerns, ideas, or special circumstances that may impact the audit. Also, we request that the agency provide us with an official Point of Contact for the audit who is the individual that OIO will: (1) contact to request audit documentation, arrange interviews and meetings with agency officials and staff, and (2) provide briefings on the progress of the audit, findings requiring immediate attention, and other issues that need management's attention.

Planning and Fieldwork

The audit begins with the Planning and Audit Survey Stage which allows us to gain an understanding of the program, activity or function that is the subject of the audit. We perform an initial walkthrough of the process, determined by the audit objectives, to identify areas that we should focus in our audit. Subsequent to the completion of the Audit Survey, we will determine whether a sufficient basis exists, for additional work. If such a determination is made, OIO will continue its Fieldwork, focusing on the areas that we determine warrant additional testing. The bulk of the audit's Fieldwork is performed in this stage. We may request additional and more extensive records and documents from the agency.

During the Fieldwork Stage, we perform detailed examinations and testing, based on our objectives, to determine whether: (1) the program, activity, or function is operating efficiently and effectively; (2) the internal controls are functioning as intended; and (3) the agency is compliant with the applicable laws and regulations. In this stage, the auditors will develop their findings, recommendations, and audit results that form the basis for the written Audit Report.

The Planning and Fieldwork Stages require the cooperation of the OCFO officials and staff. The auditors may need OCFO officials and staff to: answer questions; provide access to records, documentation, and files; and to prepare data (spreadsheets, flowcharts, documents). Keeping in mind that the officials and staff of OCFO agencies need to carry out their regular functions and workload, OIO auditors will conduct its work in a mutually agreed upon manner that will cause minimal disruption to agency operations.

Keeping OCFO Officials Informed

During the audit, OIO will keep the agency officials advised of any deficiencies or weaknesses we identify. OIO will, through the POC, keep the officials informed of the progress of the audit, and any issues that require the officials' immediate attention.

Audit Exit Conference

After all the audit Fieldwork is completed, OIO conducts a formal Exit Conference with the agency officials. At the Exit Conference, we summarize the issues, and findings previously provided to the officials through the agency POC, and any additional findings and recommendations we may have subsequently developed. We provide the agency officials with the opportunity to discuss any corrective actions necessary to initiate the recommendations and resolve the findings. This is done with the audit team present at the Exit Conference. We will encourage the agency to take immediate action, if possible, on any recommendations. OIO will include the substantiated actions taken on the recommendations in the Draft and Final Audit Report.

Draft Audit Report

OIO prepares the Draft Audit Report which includes any comments or concerns raised at the Exit Conference by the agency officials. OIO will send the Draft Audit Report to the agency head responsible for implementation of the recommendations. Usually, we request the agency official to whom the Draft Audit Report is addressed, to provide us with a written response to the draft document within two (2) weeks from the date of the Draft Audit Report. OIO requests that the response to the draft report's recommendations include: the actions taken or planned by the agency and the projected dates for completion of any uncompleted actions. If appropriate, alternative solutions can be proposed by the agency.

Final Report

After receipt of the agency’s written response, OIO will analyze the response and consider the impact of any alternative solutions presented by the agency. OIO will summarize the response to the individual recommendations in the body of the Final Report. The agency’s full response is included as an appendix to the Final Report. The Final Report is distributed to the CFO, the DCFO/Chief of Staff, Chief Risk Officer, and the agency head, to whom the recommendations are addressed. OIO’s Final Reports are also published on the OCFO’s website.

Audit Follow-up

The agency officials are responsible for taking the corrective actions that they have agreed to in their responses to individual Final Reports. Periodically, OIO will send agencies a Follow-up survey to determine the status of open recommendations or conduct a Follow-up audit and incorporate the follow-up of prior year recommendations in our review. The status of the prior recommendations will be verified and included in our Final Report.