

# 2020-21 Audit Plan

Joint Legislative Audit Committee  
February 20, 2020



Secretary of State  
Oregon Audits Division

# Performance Audits

Audit Topic	Entity(ies)	Potential Scope and Objectives
Coordinated Care Organization 2.0 Contract Administration	Oregon Health Authority	<ul style="list-style-type: none"><li>• We have already executed several audits regarding Medicaid due to its high risk</li><li>• Oregon's CCO model has some specific risks</li><li>• This audit will assess whether OHA is effectively overseeing state monies allocated to CCOs</li><li>• Will leverage other audit work examining Medicaid</li></ul>
Disease Prevention and Response	Oregon Health Authority, selected county governments	<ul style="list-style-type: none"><li>• This audit will assess the state's readiness to address epidemics and other potentially catastrophic biological events</li><li>• Will also assess programs and controls to manage more common epidemiological risks</li><li>• Will leverage recent evaluations and legislation to modernize Oregon's public health system<ul style="list-style-type: none"><li>• House Bill 3100</li><li>• 2016 external assessment</li></ul></li><li>• May include a sample review of county public health modernization efforts</li><li>• May assess disease prevention and response in long-term care facilities receiving Medicaid money</li><li>• May revisit risks identified in SOS OEM audit in 2017</li></ul>
Highway Patrol	Oregon State Police	<ul style="list-style-type: none"><li>• Audit will examine division's staffing strategy and personnel costs</li><li>• Identify any requirements, processes, or practices that reduce troopers' ability to perform primary public safety function</li><li>• Will seek to identify opportunities for efficiencies, cost savings, possible alternative strategies to address staffing shortages</li></ul>



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Homeless Services	Statewide	<ul style="list-style-type: none"> <li>• Department of Housing and Community Services recently released a statewide housing plan</li> <li>• Audit will be a collaborative effort with DHCS management to execute a risk assessment to establish scope and objectives</li> <li>• Likely include a review of the state’s “architecture” to address homelessness</li> <li>• Possible objective may include a review of Department of Veterans’ Affairs to identify, address, and reduce instances of veterans being homeless</li> <li>• Audit will assess actions taken to address homelessness during the 2020 legislative session</li> </ul>
Inmate Substance Use Disorders and Mental Health Treatment Services	Department of Corrections	<ul style="list-style-type: none"> <li>• Audit will address correctional institutions’ treatment of inmates regarding substance use disorders and mental health</li> <li>• May include an assessment of: <ul style="list-style-type: none"> <li>• Mental health intake assessment processes</li> <li>• Treatment plan development and execution</li> <li>• Transition practices</li> <li>• Prevention services and funding</li> <li>• Records management</li> </ul> </li> <li>• Audit will include a review of recent legislative activity, including assessment of implementation progress related to legislative mandates</li> <li>• Audit scope and objectives to be determined collaboratively with DOC</li> </ul>
Licensing and Investigation Processes	Oregon Dentistry and Mortuary and Cemetery Boards	<ul style="list-style-type: none"> <li>• Will examine overall governance structure and staffing resources</li> <li>• Likely include one or both of the following: <ul style="list-style-type: none"> <li>• A review of the board’s licensing practices</li> <li>• A review of board investigative practices</li> </ul> </li> <li>• Assessment of Dental Board will leverage other audit work examining PDMP and public health risks related to the opioid crisis</li> </ul>

Audit Topic	Entity(ies)	Potential Scope and Objectives
Measure 76 – State Lottery Monies Distribution and Utilization	Selected state agencies	<ul style="list-style-type: none"> <li>• Measure 76 requires the SOS to regularly audit any state agency that receives money from the Parks and Natural Resources Fund</li> <li>• Objectives may include, on a sample basis:               <ul style="list-style-type: none"> <li>• Financial integrity</li> <li>• Compliance with applicable laws</li> <li>• Efficiency and effectiveness of the use of money by agencies and sub-recipients</li> </ul> </li> <li>• May include a review of biennial performance reports from agencies receiving money</li> </ul>
Office of Developmental Disabilities Services	Department of Human Services	<ul style="list-style-type: none"> <li>• Audit will assess programs and services for people experiencing developmental and intellectual disabilities</li> <li>• May include a review of activities to:               <ul style="list-style-type: none"> <li>• Increase service access and quality</li> <li>• Ensure the equitable delivery of services</li> <li>• Comply with federal and state guidelines</li> <li>• Measure outcomes</li> <li>• Solicit customer feedback</li> </ul> </li> <li>• May include a review of how current efforts to adopt an integrated social service delivery model and data-driven decision making will impact this program</li> </ul>
Office of Public Defense Services	Public Defense Services Commission	<ul style="list-style-type: none"> <li>• Will leverage a highly critical assessment issued in 2019</li> <li>• Assess progress being made on issues and risks and generally assess whether office is providing timely, effective, and efficient legal services</li> <li>• Will also assess costs and seek to identify possible cost savings and efficiency opportunities</li> <li>• Likely include an equity objective to assess disparities in access and quality</li> </ul>

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Climate Change Risk Management Strategy	Statewide	<ul style="list-style-type: none"> <li>• Will assess whether the state has a cohesive climate change strategy that is outcome-driven and measurable</li> <li>• Could involve several state functions and would entail a detailed risk assessment to determine scope and objectives</li> <li>• Possible entities include the Governor’s Carbon Policy Office and Oregon Global Warming Commission</li> <li>• Will assess climate change-related actions resulting from the 2020 legislative session</li> </ul>
Procurement and Contract Administration Practices	Oregon State Treasury	<ul style="list-style-type: none"> <li>• Reviewing Treasury policies, procedures, systems, data, and personnel responsibilities related to contract procurement and administration</li> </ul>
Special Joint Audit Project	Oregon Department of Transportation	<ul style="list-style-type: none"> <li>• Joint audit to be performed collaboratively with ODOT internal audit</li> <li>• Will support a topic listed on ODOT internal audit plan</li> </ul>
Student Success Act (SSA) Implementation Strategy and Controls	Oregon Department of Education, selected districts	<ul style="list-style-type: none"> <li>• Real-time audit of enhancement of funds passed by 2019 Legislature through SSA</li> <li>• Focus on ODE and selected districts’ initial strategies for implementation and accounting</li> <li>• Audit objectives may include staffing, communication, performance data collection, and improvement efforts for districts, contractors, and grantees</li> <li>• Establishing scope and objectives will be collaborative effort with ODE</li> </ul>

# Information Technology (IT) Audits

Audit Topic	Entity(ies)	Potential Scope and Objectives
Oregon Department of Administrative Services	Office of the State Chief Information Officer, Enterprise Information Services	<ul style="list-style-type: none"><li>• Previous audits have identified ongoing IT risks across the state</li><li>• IT functions, roles, and responsibilities have shifted and reorganized</li><li>• Audit will examine the state's IT governance and operational structure</li><li>• Audit will identify opportunities for enhancing IT controls, services, and tools</li></ul>
IT Security Controls Assessment Program	Oregon State Lottery, Department of Corrections, Veterans' Affairs, Oregon State Treasury	<ul style="list-style-type: none"><li>• Focus on a set of IT controls related to cybersecurity</li><li>• We choose agencies through a risk assessment process</li><li>• Plan to perform four reviews at the agencies listed</li></ul>
Web Application Hosting Security	Selected agencies	<ul style="list-style-type: none"><li>• Audit would focus on how agencies are hosting their web applications</li><li>• Focus on how agencies ensure that servers are configured appropriately</li><li>• A risk-based assessment will determine which agencies to include in the audit sample</li></ul>

# Financial Audits

Audit Topic	Entity(ies)	Potential Scope and Objectives
Statewide Single Audit: Part One, Financial	Statewide	<ul style="list-style-type: none"><li>• Single audit is required by the federal government to receive federal financial assistance</li><li>• Has two components:<ul style="list-style-type: none"><li>• An audit of the state's financial statements</li><li>• Reporting on the schedule of expenditures of federal awards (SEFA) in relation to those statements</li></ul></li><li>• Some audits we will contract with CPA firms to conduct</li></ul>
Statewide Single Audit: Part Two, Federal	Statewide	<ul style="list-style-type: none"><li>• Second component is a compliance audit of major federal awards expended during the fiscal year</li><li>• During the planning phase, we will determine the programs to audit</li></ul>

Audit Topic	Entity(ies)
Financial Statement FY20	Oregon State Treasury
FY20 Financial Statement and Compliance	Department of Consumer and Business Services, Oregon Health Insurance Marketplace
FY19 Financial Statements	Oregon Business Development Department, Special Public Works Fund and Water Fund Oregon Department of Energy, Small Scale Energy Loan Program (SELP) Department of Environmental Quality, Clean Water Revolving Fund Oregon Department of Education, High School Graduation and College and Career Readiness Fund
FY20 Financial Statement	Columbia River Gorge Commission
FY 19 Agreed Upon Procedures	Oregon Health Authority, Safe Drinking Water
Federal Compliance	Department of Human Services, Cost Allocation Plan Childcare Development Fund Cluster
Financial	Department of Administrative Services, Oregon State Payroll Application and Statewide Financial Management Application
Statewide Summary Single Audit	Various
Municipal Audit	Local governments
Risk Assessments and Fiscal Resource Reviews	Various





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