

**Department of Job and Family Services
Presentation to the State Audit Committee – Remediation Efforts
September 29, 2011**

The Ohio Department of Job and Family Services (JFS) is in process of remediating the 27 audit comments presented in the Fiscal Year 2010 Federal Single Audit released by the Auditor of State (AOS) on March 31, 2011. Some of the issues reported by the AOS have been repeated over multiple periods. The new executive management at JFS is committed to performing a good faith effort to remediate the outstanding comments.

In the 2010 State Single Audit, there are 27 comments relating to JFS systems and processes. JFS has completed remediation on 15 (59%) comments as of today. For the remaining 12 comments, seven are either partially remediated or are in process of being remediated. JFS disagrees with the remaining five comments and will work with the Auditor of State and the Federal grantor agency to resolve these issues.

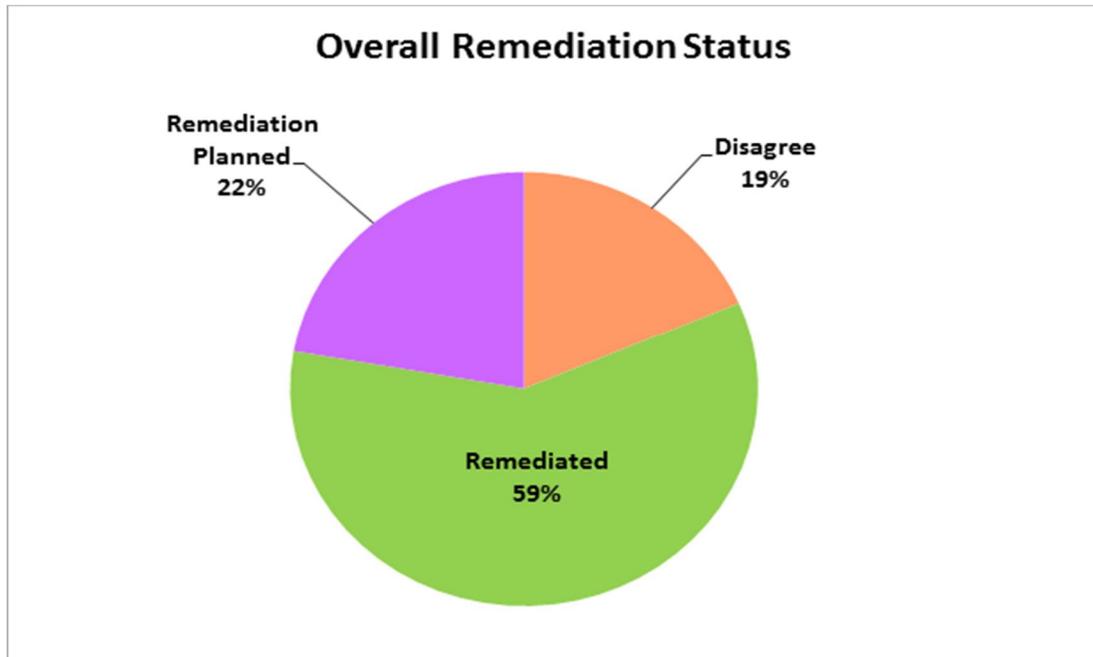
For this presentation, the audit comments are separated into two categories:

Tier 1 (page 2)

There are seven comments in this category which is considered the most severe due to their impact on the financial statements of the State of Ohio. These comments consist of six issues rated as material weaknesses and one issue rated as a significant deficiency in internal control on the State's financial statements. Of the seven comments, JFS management considers five to be remediated and two are scheduled for remediation. The OBM Office of Internal Audit has been engaged to assist with these issues, as appropriate.

Tier 2 (page 3)

There are 20 comments in this category which only impact the Supplementary Schedule of Expenditures of Federal Awards. These comments consist of questioned costs, material weaknesses, non-compliance issues, and significant deficiencies.



Department of Job and Family Services
Tier 1 Comments from the 2010 State of Ohio Single Audit

Item #	Comment Name	Years Issued	JFS Remediation Status
1.	Federal Revenue Controls	2010	Remediated effective March 2011 <ul style="list-style-type: none"> • Updated cash draw procedures to include a section concerning modifications to the draw and the review process.
2.	IT – MMIS Eligibility – PDD and Provider Charge Code Changes	2010	Remediated effective August 2011 <ul style="list-style-type: none"> • MMIS has been replaced by the new MITS system (Medicaid Information Technology System) on August 2011.
3.	IT – MMIS Eligibility – PMF Code Changes	2010	Remediated effective August 2011 <ul style="list-style-type: none"> • MMIS has been replaced by the new MITS system (Medicaid Information Technology System) that went live August 2011. The provider enrollment function is as described using the web portal instead of the old paper process.
4.	IT - OJI - Lack of Control Totals	2010	Remediated effective April 2011 <ul style="list-style-type: none"> • USDOL interim report No.: 24-11-516-03-315. Final Determination: this finding is corrected. • AOS tested the new OJI control that was put in place by JFS in April 2011. The new control shows that the IVR records sent and read are now presented on the turnover logs and OJI batch application status updates.
5.	Unemployment Insurance - Tax Contributions – Evidence of Controls	2010	Remediated effective April 2011 <ul style="list-style-type: none"> • USDOL interim report No.: 24-11-516-03-315. Final Determination: this finding is corrected.
6.	IT-All Applications - Lack of Internal Testing of Automated Controls	2004 through 2010	Anticipated remediation fiscal year 2012/2013 <ul style="list-style-type: none"> • May 9, 2011, JFS management, AOS, and OIA met to discuss a resolution to this comment. JFS engaged OIA to conduct multi-year IT control audits of JFS applications. In FY 2012 OIA will audit CRIS-E, OJI, and SETS. MMIS has been replaced by the new MITS system (Medicaid Information Technology System) effective August 2011 and will be audited by OIA in FY 2013.
7.	IT - CSRs/Overrides of CRIS-E	2004 through 2010	Anticipated remediation October 2011 <ul style="list-style-type: none"> • Completed an initial risk analysis according to AOS requirement. • Open Customer Service Requests (CSRs) related to FIATS were reduced from 56 to two. The previous 54 CSRs were cancelled, completed, or suspended due to reported transactions being isolated in nature.

Department of Job and Family Services
Tier 2 Comments from the 2010 State of Ohio Single Audit

Item #	Comments Name	Years Issued	JFS Remediation Status
1.	County Subrecipient Agreements (Questioned Costs (QC) \$756,812)	2009, 2010	Compliance issue remediated effective July 2010 ; disagreement with AOS on questioned costs.
2.	Medicaid - Ineligible Recipients (QC \$63)	2010	Isolated transaction; no remediation necessary
3.	Child Care Cluster - Cash Management (QC undetermined)	2008, 2009, 2010	Remediated effective October 2010
4.	Medicaid/CHIP - Provider Eligibility	2010	Remediated effective June 2011
5.	IEVS - IRS Information Unprotected	2010	Remediated effective January 2011
6.	Medicaid/CHIP - Managed Care	2010	Remediated effective March 2011
7.	IEVS - Due Dates	2004 through 2010	Remediation effective August 2011
8.	Various Programs - County Finance Doc. and Procedures	2009, 2010	Remediation effective September 2011
9.	Unemployment Insurance – Reporting	2009, 2010	Remediation effective May 2011
10.	Various Programs - Cash Management	2009, 2010	Remediated effective April 2011
11.	Medicaid/CHIP – Claims Processing and Reconciliation	2010	Remediated: Process being modified by MITS implementation
12.	Medicaid/CHIP/TANF - Missing Doc. - Counties (QC \$225,180)	2006 through 2010	Anticipated remediation dates range from April 2011 to March 2012 (Five counties involved)
13.	CHIP - Ineligible Recipient (QC \$18,510)	2007, 2008, 2009, 2010	Anticipated remediation December 2011
14.	IEVS - Alert Resolution/Inadequate Doc. (QC undetermined)	2005 through 2010	Anticipated remediation October 2011
15.	TANF – Internal Control Deficiencies – Various Counties	2010	Anticipated remediation December 2011 (Three counties involved)
16.	Various Programs - Period of Availability (QC \$103 million)	2009, 2010	Pending determination on remediation from HHS
17.	IT-MMIS - Claims Reimbursed in Excess of OAC (QC \$846,749)	2006 through 2010	Anticipated remediation December 2012
18.	Medicaid/CHIP - Third Party Liability (QC \$78,043)	2010	Anticipated remediation June 2012
19.	Federal Financial Reports	2009, 2010	Pending determination on remediation from HHS
20.	Medicaid - Drug Rebate Monitoring	2010	No remediation necessary