

**ANNUAL REPORT OF  
INTERNAL AUDIT  
ACTIVITIES  
for Fiscal Year 2015**

**State of Rhode Island  
Department of Administration  
Bureau of Audits**

*Bureau of Audits  
Annual Report on Internal Audit Activities  
FY 2015*

<i>Table of Contents</i>	<i>Page</i>
I. EXECUTIVE SUMMARY .....	2
II. INTERNAL AUDIT PROGRAM – RESULTS & ANALYSIS .....	4
A. System wide Audit Results .....	4
B. Significant and Recurrent Internal Control Issues .....	5
C. Internal Audit’s Participation in Initiatives .....	7
D. Improvements in Internal Audit Methodology, Processes and Systems.....	8
E. Statistics .....	9
1. Resources and Effort.....	9
2. Management Corrective Actions .....	13
APPENDIX 1 – INTERNAL AUDIT ORGANIZATION CHART .....	15
APPENDIX 2 – FINAL AUDIT REPORTS ISSUED FISCAL YEAR 2015 .....	16

## I. EXECUTIVE SUMMARY

---

### Introduction

The State of Rhode Island Executive Branch of government is undergoing a significant amount of changes initiated from both internal and external sources. Some of these changes include:

- Budgetary impacts as a result of the State's economic crisis including a significant reduction in State funding
- Organizational and operational efficiency initiatives at the program, department, and agency-wide level
- Aging IT infrastructure and the implementation of new enterprise IT systems
- Transition of key leadership positions
- Expanding use of emerging technology such as cloud services

These changes indicate opportunities for exciting strategic developments for the State; however, they also expose our organization to a significant amount of operational, financial, and reputational risks. The role of Internal Audit (IA) is to work proactively with management to navigate these risks and provide assurance that existing governance, risk management, and control processes are in place and optimized for effective and efficient risk mitigation. This report highlights the outcomes of key activities performed by Internal Audit during Fiscal Year (FY) 2015 to help management identify and address significant risks facing the Executive Branch of government. Additionally, this report will provide statistical details about our unit's performance metrics and utilization of resources.

This Annual Report of Internal Audit Activities contains the following sections:

- **System-wide audits** – Results of these audits performed with a common focus and scope of work by the Bureau of Audits. (Page 4)
- **Significant and recurrent control issues** - A summary from the body of Internal Audit work performed during the year. (Page 4)
- **Executive Branch initiatives** - An update on Internal Audit's participation. (Page 5)
- **Internal Audit Program** - An overview of improvements implemented in governance, methodology, and systems. (Page 6)
- **Statistical Information** - A summary of the system-wide Internal Audit Program for FY 2015. (Page 7)

## FY 2015 Statistical Highlights

During FY 2015, the Bureau of Audits:

- Completed 81% of the approved Internal Audit plan (goal 70%).
- Completed audit, advisory services, and investigation projects resulting in 13 public reports.
- Produced 190 recommendations for improvements to governance, risk management, and control processes with corresponding agreed upon Management Corrective Actions (MCAs).
- Validated that 75 MCAs were completed by management.
- Summary of MCAs balances and status:

<b>Summary of MCA Balances and Past Due Status</b>	
Beginning MCAs (open at start of FY 2015)	145
Ending MCAs (open at end of FY 2015)	260
<b>Outstanding MCAs</b>	
High risk MCAs	72
Medium/low risk MCAs as of June 30, 2015.	188

## Summary and Conclusions

We acknowledge that management has ultimate responsibility for establishing internal controls to manage risks; however, we identified circumstances in which we believe that program management is unaware of their responsibility for internal controls and risk management, resulting in decisions which accept an unreasonable level of risk and for which senior management may not be aware. In conjunction with the 13 Audit, Advisory Services, and Investigation public reports issued, we identified no conditions believed to represent material deficiencies in internal controls to the Executive Branch system as a whole from a financial standpoint.

Further, based on our FY 2015 work, we can assert the following as being generally true with no reportable exceptions:

1. There is respect for the Internal Audit Program objectives; a high level of cooperation is received, and there is no interference with either the accomplishment of our tasks or our responsibilities to report to The Group.
2. Management works collaboratively with Internal Auditors to address issues raised during Audits, Advisory Services engagements, and Investigations.
3. Management is comfortable seeking out Internal Audit for advice and consultation on matters with internal control implications when brought to their attention.
4. The Bureau reports all matters of importance are reported to The Group.
5. There are opportunities for the Departments and Agencies to implement more effective controls in a number of areas, and there are ongoing challenges to achieving effective controls and compliance.

## II. INTERNAL AUDIT PROGRAM – RESULTS & ANALYSIS

---

### A. System-wide Audit Results

System-wide audits are conducted for the purpose of reviewing a prevalent existing or potential issue and determine possible risks. Typically, these audits are performed at the request of management, the Group, and/or the Governor, and have a common focus and scope of work. Results may be summarized from a system perspective, and key themes are addressed by leadership or comparisons may be made between departments and agencies. The following is an overview of system-wide audits performed with the results and themes summarized.

**Expense Allocations** – The mail/delivery and telecom expense projects of the system-wide audit for allocation of expenses was performed. Identified areas for improvement were: use of correct rates to distribute expenses, update and reconcile actual expenditures to those allocated, and explore and utilize existing updated technology. Management is addressing noted issues by correcting and/or implementing the MCA prior to allocating expenses for FY 16.

**HIPAA** – The Center for Medicare Systems (CMS) has begun more stringent reviews of security over health information at the State level. We performed audits of these systems to assess compliance Federal regulations. Proactive efforts to mitigate risks and a good faith effort towards compliance reduce possible fines to the departments or agencies in the event of a Federal review. A continuous theme amongst all audits was the lack of up-to-date, CMS-compliant policies and procedures, weak communication between program staff and DoIT, and failure to implement the appropriate data security and integrity controls.

### B. Significant and Recurrent Internal Control Issues

Many of the significant and recurrent internal control issues are specific to the management environment where the issues were identified. However, other issues are the result of a broader, system-wide cause and may require continual attention by management. From the majority of audit work performed during the year, including investigations, the following are the most significant and recurrent control issues.

**IT Security and Information Privacy** - We continue to identify significant control weaknesses related to IT security and protection of sensitive information, including inadequate system access controls and insufficient physical controls over IT equipment. Ensuring controls are in place across the organization is challenging due to the decentralization of IT infrastructure and organizational responsibility. Many departments have not yet performed an IT security risk assessment or documented an IT security plan to address higher risk areas. Ongoing efforts to address IT security and information privacy control issues include enhancing or refining the IT governance structure, enhanced monitoring of network activity, and training and awareness programs. Internal Audit will continue to prioritize this area for audit and advisory activity in the next fiscal year.

**Procurement** - We have noted that delegated and decentralized procurement activities present the risk of inconsistent internal controls, particularly in the area of contract management and emergency purchases.

**Contract management**: Program managers are often responsible for ensuring that each party meets its obligation, and the agreement terms are consistently monitored and/or enforced. To remediate the risk of inconsistent controls over contract management, the Executive Office of Health and Human Services is in the process of implementing shared services functions to centralize contract monitoring and financial management processes. If the new structure meets best practices and expectation, we will share the restructuring with other departments and agencies to help them improve controls over contract management.

**General Ledger/Transaction Review** - As departmental budgets are reduced, there are fewer resources available to authorize and review individual transactions and perform periodic reviews of financial ledgers. At some departments and agencies, reliance is placed on a program manager's review of general ledger accounts. However, this may not be sufficient to ensure the accuracy and validity of transactions. To address this issue, audited agencies are working to implement more efficient transactional and ledger review mechanisms. Additionally, Accounts and Control and the Division of Purchases provide training for those responsible for monitoring ledger activity to improve the quality of review.

**Management Oversight/Segregation of Duties** -Resource limitations resulting from budget cuts continue to put a strain on departments' abilities to ensure appropriate controls are in place in areas such as cash handling, purchasing, and general ledger review and reconciliation. In conducting audits and advisory services, we observed that numerous functions and activities have been consolidated, resulting in management and staff assigned to a larger span of responsibility. In some cases, this results in inadequate segregation of duties with employees completing incompatible job responsibilities such as authorization, recording, custody of assets, and reconciliation. In these cases, Internal Audit works with management to achieve the most effective use of available resources to control the level of risk.

**Inconsistent Manual Control** - As our departments and agencies continue to rely upon stand-alone program systems and individual units, sometimes individuals are tasked with interpreting policies and implementing procedures to achieve business and control objectives. Competing priorities, vacancies, reductions, staff changes, lack of awareness of risks or objectives, and limited oversight, guidance, and monitoring were noted as the underlying causes for the weak controls. Some agencies are working to address this issue through the implementation of shared services functions to aggregate manual controls and IT systems to automate controls, reducing the risk of human error. However, some of our smaller programs are struggling to implement these types of solutions as they generally require large upfront investments.

### C. Internal Audit's Participation in Initiatives

Internal Audit has continued to partner with management to support key initiatives and priorities both at the program and agency level. This section highlights some of the key areas in which Internal Audit has provided support.

**Enterprise Risk Management** - At both the system-wide and agency levels, Internal Audit has begun working to identify and leverage synergies with other risk-focused departments such as Performance Management and Risk Services in support of the Enterprise Risk Management (ERM) program. These efforts are in the groundwork stage and primarily involve information sharing between our departments. The goal is to share information with our stakeholders throughout the year in order to collect information efficiently and prioritize our respective activities in a collaborative manner. The primary objective in this collaboration is to ensure that roles and responsibilities for risk assessment and monitoring are well defined and effectively communicated to our stakeholders.

**IT System Implementation** - In response to a legislative mandate, the Bureau of Audits has served as adviser and has planned and will perform a review of the Division of Motor Vehicles Insurance Matching initiative. Internal Audit has been involved in the Insurance Matching effort from an advisory perspective for several years. In the past year, the Bureau of Audits has been working with management to mitigate the risk of failure and reputational risk related to governance and internal control structure of the Insurance matching effort. The next fiscal year will be even more critical as the system is rolled out and notifications are sent to vehicle owners; established operating procedures will be adjusted to maintain risk at acceptable levels. Accordingly, Internal Audit will intensify its advisory efforts to work side by side with management to ensure that best practices are followed and processes are designed effectively and efficiently over the next year.

## D. Improvements in Internal Audit Methodology, Processes and Systems

Internal Audit operates in an environment of continuous change. We must continue to adapt and improve our methodologies, use of technology, communication strategies and expertise in order to meet the challenges of new auditing standards, emerging risks, and changes to the environment,. This section outlines some of the improvements we have made in these areas.

**Quality Assurance** - The Institute of Internal Auditors' (IIA) professional standards require that an external Quality Assessment Review (QAR) of an Internal Audit function be performed at least once every five years to be compliant with auditing standards. This year, in preparation of our first external QAR, we updated our policies and procedures manual, improved the standardized work papers, reformatted the annual audit report, and created the Quality Assurance and Improvement Program folder within the audit management system which complies with the IIA Standards. Additionally, we have updated our audit quality questionnaires that will be electronically distributed after each audit is completed as required by IIA standards. An internal review of work papers for compliance with the standards has begun.

**Continuing Education** – The Bureau of Audits' policy is for each employee to attend at least ten hours of professional continuing education. All staff complied with or exceeded the requirements of this policy. These efforts help ensure that our audit staff is informed of emerging risk issues and auditing techniques, and provides them with the opportunity to receive necessary continuing education requirements to maintain their professional certifications.

**Data Analytics** – The Bureau has been increasing the use of Computer Assisted Auditing Tools (CAATs) to perform data analytics as part of Internal Audit and ad hoc special projects. These tools allow auditors to perform analysis on entire data populations to identify anomalies and discrepancies for further investigation, rather than relying on traditional transactional sampling. Internal Audit has also assisted management in developing data analytics scripts to support continuous monitoring programs which replace burdensome and inefficient manual review processes.

**Audit Management System** - We continued to implement functional enhancements to our system-wide audit management system, TeamMate. The most significant enhancement was the centralization of the application infrastructure to facilitate and enhance system-wide reporting on audit plan status, project time reporting, and status of management corrective actions. We are sharing this platform with the Department of Transportation's External Audit team so they may improve their audit work papers to comply with auditing standards.

## E. Statistics

This section provides a summary of statistical information on the system-wide Internal Audit program for FY 2015. Resource and effort data is summarized and analyzed by type of audit service and across functional areas demonstrating the breadth of coverage. Management corrective actions are analyzed by functional area, severity, and status of corrective actions.

### 1. Resources and Effort

**Table 1 – Internal Audit Program Staffing** provides statistics on our Internal Audit staff, benchmarked against the plan and prior year figures, including a summary of statistics in experience, education, professional certifications and turnover. Headcount levels remained relatively stable compared to the prior year; however, two FTEs were on medical leave throughout the entire first quarter of the fiscal year. Both employees terminated service with the State. One position was filled during March 2015 and the second position was not filled until FY 16. Therefore, the turnover rate increased 25% over FY 14 levels. There was difficulty recruiting experienced candidates which resulted with holding positions vacant longer than expected and hiring staff who have not yet achieved certifications.

Training costs for audit staff decreased compared to the prior year, as our staff have increasingly taken advantage of lower-cost training options. This allowed for three staff to each attend three-day training conferences in the following subjects: data mining and analytics; audit management software improvements and integration; new COSO model and deploying the new standards.

Qualification statistics for our staff declined in comparison to the prior year due to the departure of certified staff.

**Table 1 –Internal Audit Program Staffing**

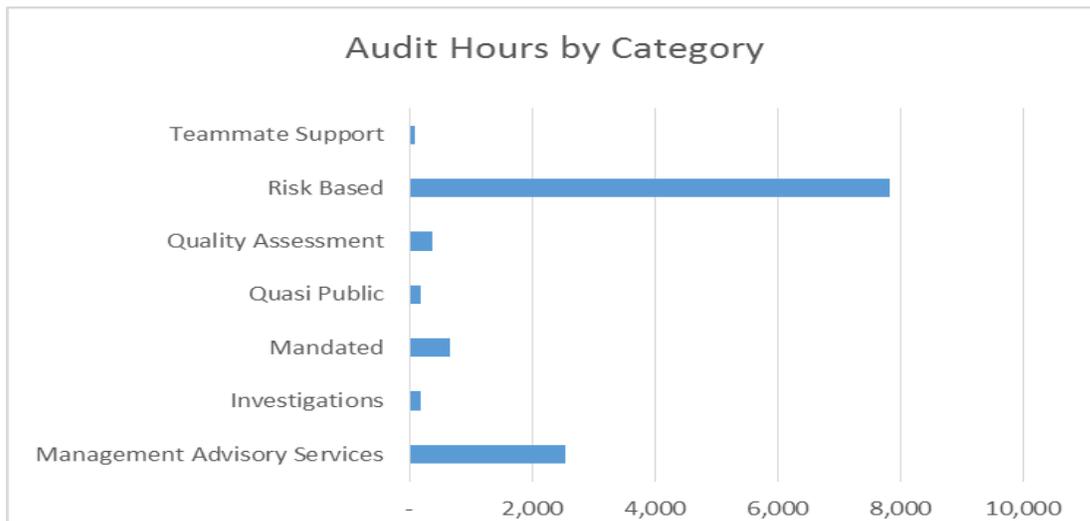
Internal Audit Staff	FY15 Plan	FY15 Actual	Prior Year Actual
Authorized	12	12	12
Average Actual Filled	11	9	10
Percent Filled	92%	75%	83%
Ending Head count	11	9.4	10
Turnover*	8%	25%	10%
Training hours per auditor	30	31	28
<b>Qualifications</b>			
Average Years Total Audit Experience	N/A	16 years	17 years
Average Years BOA Audit Experience	N/A	10 years	12 years
Average Years Audit Chief Experience	N/A	30 years	30 years
Percent of Audit Staff with Bachelor Degree	N/A	100%	100%
Percent of Audit Staff with Advanced Degrees	N/A	67%	70%
Percent of Staff holding Professional Certifications	N/A	78%	80%

\*25 % staff turnover included 1 departure for a position outside of the State, and two positions held vacant due to budgetary turnover mandate.

N/A Not applicable to plan data

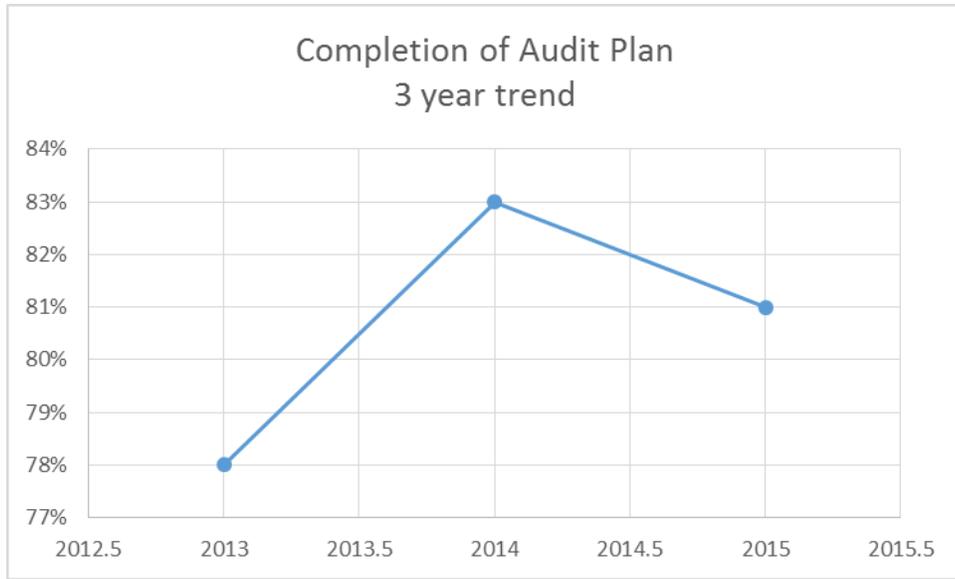
Each year, approximately 70% of our staff time is allocated to direct hours. Direct hours include all effort spent completing our annual plan of audit, advisory and investigation projects, as well as audit support activities such as IT support, system wide audit support, audit planning and quality assurance.

**Table 2 – Projects** provides a summary of our direct hours including a breakdown by category, service line, number of completed projects in each area, and average hours per completed project.

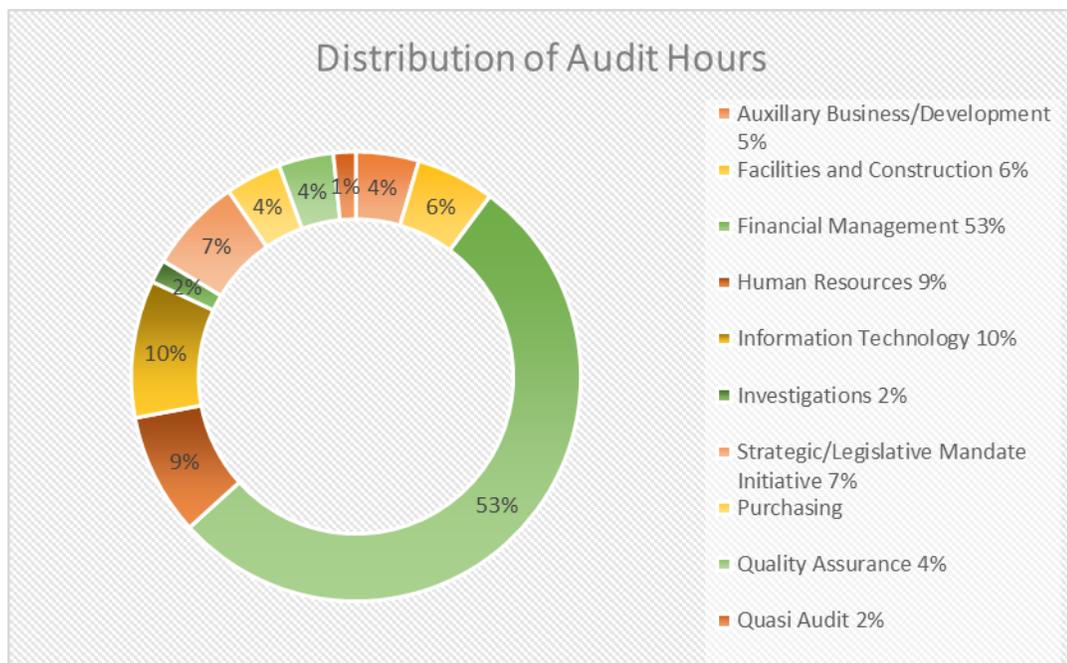


Projects	FY15 Plan	FY15 Actual	Prior Year Actual
<b>Risk Based Audits</b>			
Audit Program Hours	10,300	7,816	11,383
Percent of total project effort	80%	66%	86%
Number of Completed Projects	16	13	10
<b>Management Advisory Services</b>			
Advisory Service Hours	1,300	2,542	1,263
Percent of total project effort	10%	21%	10%
Number of Completed Projects	N/A	15	8
<b>Mandated Audits</b>			
Mandated Hours	400	652	0
Percent of total project effort	3%	5%	0%
Number of Completed Mandated Audits	N/A	3	0
<b>Investigations</b>			
Investigation Hours	200	198	472
Percent of total project effort	2%	2%	4%
Number of Completed Investigations	N/A	Unknown	Unknown
<b>Quasi-Public Audits</b>			
Audit Program Hours	200	191	0
Percent of total project effort	2%	2%	0
Number of Completed Quasi Public Audits	1	1	0
<b>Total</b>			
Audit, Advisory Services & Investigation hours	12,400	11,399	13,118
TeamMate Support and Quality Assessment	500	468	116
Total Direct Hours	12,900	11,867	13,234
<b>Summary Information</b>			
Total Number of Completed Projects	N/A	32	18
Number of projects per auditor	N/A	3.56	2.00
Percent of Audit Plan Completed		81%	95%

**Chart 1 – Completion of Audit Plan** shows the results of our focus on audit plan completion over the past three years. We continue to exceed our established benchmark for audit plan completion (75%).



**Chart 2 – Distribution of FY 2015 Hours** - depicts the breadth of coverage of Internal Audit project hours over the major functional areas. Our effort remained concentrated in the areas of financial management, information technology, and human resources.



## 2. Management Corrective Actions

### MCA Distribution

As previously indicated, our FY 2015 audit program work produced 13 audit, and advisory service reports, resulting in 190 MCAs. As shown in Table 3 – Comparison of MCAs and Hours, the distribution of MCAs correlates with the effort expended across the functional areas, with the exception of a few areas. In the area of Information Technology our reviews have yielded a higher number of MCAs per hour of effort than other areas. The areas of Financial Management and Human Resources have yielded a lower number of MCAs per hour of effort.

**Table 3 – Comparison of MCAs and Hours**

Functional Area	MCA %	Hours %
Financial Management	26%	56%
Strategic/Legislative Mandates	3%	1%
Information Technology	39%	19%
Auxiliary, Business & Employee Support Services	9%	9%
Human Resources	7%	12%
Facilities & Construction	0%	0%

### Status of Completion of MCAs

MCAs are classified initially as open and are only moved to closed status after validation by auditors that the agreed upon corrective actions have been taken or the associated risk has been adequately mitigated and sustainable improvement has been achieved.

During FY 2015, 190 recommendations for improvement were made. All recommendations are assigned an estimated completion date and are tracked. The status of all Bureau reports that contain outstanding recommendation is shown in the chart on the next page.

### Outstanding Recommendation Requiring Group Action

All recommendations related to the audit of the Police and Fire Fighters Relief Boards have been addressed with the exception of one recommendation. The Fire Fighters Relief Board refuses to implement a recommendation to require proof of permanent and total disability prior to releasing benefits to the applicant. The Attorney General released an opinion regarding the permanent and total disability clause of the enabling statute. The Board interprets this clause (without advice of legal counsel) to be “permanent and total disability as a fire fighter;” the Attorney General interpreted this clause to be “total and permanent disability to all work.” The Attorney General’s interpretation mirrors the rules the Police Relief Board are following. The Audit Advisory Group should consider further action on this recommendation.

## Tracked Management Corrective Actions (MCAs)

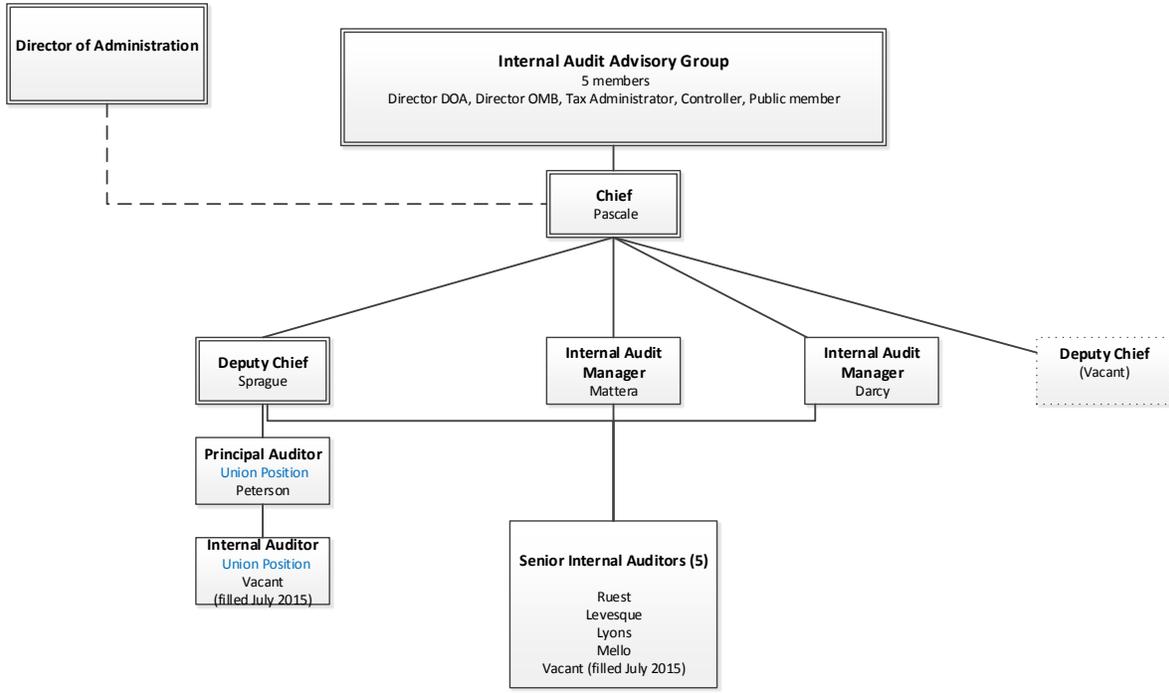
As of June 30, 2015

Agency	Report Title	Date Issued	Reported MCAs				Implemented			Open			Management Accepts Risk			Constrained / Budget		
			Total	Low	Med	High	Low	Med	High	Low	Med	High	Low	Med	High	Low	Med	High
Division of Children, Youth and Families	Daycare Provider Licensing and Regulation	April 26, 2013	10	1	8	1	3	1	1	3	1	3	1	1	1	1	1	
Behavior Health Developmental Disability Hospitals	Cyber Security HIPAA Personally Identifiable Information	November 27, 2013	26	1	13	12	3	3	1	10	9							
Dept. of Administration	Security Policy Gap Analysis	March 3, 2014	68	10	18	40			10	18	40							
Dept. of Administration Division of Purchasing	Small Electrical Repairs MPA	April 1, 2014	7	1	3	3	1	3	3									
Dept. of Transportation	Fleet Administration	June 11, 2014	14	0	14	0	7		7									
Boards of Police and Firefighters Relief	Administration of Benefits	July 3, 2014	6	1	3	2	1	3			2							
RI Housing	COC Grant Administration	July 24, 2014	28	0	14	14	10	9	4	5								
Dept. of Corrections	Correctional Industries	November 7, 2014	18	2	12	4			2	12	4							
Dept. of Business Regulation	Cash controls over fees	December 3, 2014	17	0	13	4	3	1	10	3								
Dept. of Corrections	Procurement Process	December 22, 2014	19	7	3	9			7	3	9							
Dept. of Administration	Mail Expense Allocation	January 9, 2015	2	0	2	0	1		1									
Totals			215	23	103	89	2	33	17	21	68	72	0	1	0	0	1	0
			Category Totals			215	9%	32%	19%	91%	66%	81%	0%	1%	0%	0%	1%	0%
							24%		75%			0%						
Issue Date Less Than 6 Months from Tracking Report Date																		
Agency	Report Title	Date Issued	Reported MCAs				Implemented			Open			Management Accepts Risk			Constrained / Budget		
			Total	Low	Med	High	Low	Med	High	Low	Med	High	Low	Med	High	Low	Med	High
Dept. of Administration	Telecom Expense Allocation	March 11, 2015	5	1	4	0	1			4								
Dept. of Administration	Cyber Security / HIPAA Office of Employee Benefits	April 22, 2015	30	19	11	0			19	11								
RI Tobacco Settlement Financing Corp.	Operations Review	May 12, 2015	2	0	2	0				2								
Dept. of Human Services	Cyber Security/ HIPAA Veterans Hiome	May 20, 2015	44	26	18	0			26	18								
Dept. of Administration	Office of Employee Benefits Administration	June 9, 2015	14	3	11	0			3	11								
Dept. of Administration	Leased Property Survey Mandate	June 17, 2015	5	0	5	0				5								
Totals			100	49	51	0	1	0	0	48	51	0	0	0	0	0	0	
			Category Totals			100	2%	0%	0%	98%	100%	0%	0%	0%	0%	0	0	0
							1%		99%			0%			0	0	0	

# APPENDIX 1 – ORGANIZATION CHART

July 24, 2015

## Bureau of Audits Organizational Chart



- 12 Authorized FTEs
- 9 Funded and Filled FTEs
- Council 94 union represented staff noted

### **Auxiliary/Business Development**

Department of Corrections – Correctional Industries

### **Financial Management**

Department of Administration

Telecom Expense Allocation

Mail/Delivery Expense Allocation

Department of Corrections – Procurement Processes

Department of Business Regulation – Cash Controls

Department of Labor and Training – Police and Firefighter Relief Boards

### **Human Resources**

Office of Employee Benefits – Performance Audit

### **Information Technology**

Division of Human Resources – HIPAA Risk Assessment, Office of Employee Benefits

Department of Human Services – HIPAA Risk Assessment, Veterans Home

### **Legislative Mandate**

Department of Administration

Leased Property Survey

Financial Integrity and Accountability Report

Behavior Health and Developmental Disabilities Hospitals – Emergency Department Diversion Initiative

### **Quasi-Public Audits**

Rhode Island Housing Corporation – Administration of the Continuum of Care Grant

Rhode Island Tobacco Settlement Fund Financing Corporation – Performance Audit

## APPENDIX 3 – FISCAL YEAR 2015 OUTSTANDING RECOMMENDATIONS GREATER THAN SIX MONTHS

---

There are ten audit reports that contain outstanding recommendations that are greater than six months old. The Bureau continues to pursue implementation of these outstanding recommendations. In the case of the recommendation made to the Fire Board, we recommend the Group consider additional action to require implementation of the recommendation.

DCFY, Daycare Provider Licensing and Regulations – DCYF management has been slow to respond to inquiries about progress on these recommendations. Recent changes to management are helping in getting to a resolution. Additionally, The Bureau has conducted and is currently in the process of releasing a report on some additional work done at DCFY. The Bureau will continue to work closely with DCYF management in resolving the past recommendations along with the additional recommendations in the soon-to-be-released report.

BHDDH, Security Controls over Personally Identifiable Information – Implementation of these recommendations requires cooperation of BHDDH management and DoIT. Recent Changes in BHDDH management has stalled the process of implementing these recommendations. Some recent progress has been made in getting the implementation going again, and the Bureau's IT contact at BHDDH believe progress will be made.

DOA, Security Policy Gap Analysis – Many of the recommendations made is this internal report center around the creation, implementation, and dissemination of security policy. DoIT has several policies in the review stage, and recent changes in DoIT management may have slowed this process.

DOT, Fleet Administration – The Department has made some progress in implementing the recommendations made; however, some of the recommendations are now past due on their estimated implementation dates. The Bureau will continue to follow up with the DOT administration.

Police and Firefighters Relief Board, Administration of Benefits – DLT has reassigned the administrative responsibilities of these funds to a newly hired employee. The Bureau conducted additional audit work at DLT related to the administration of these funds and did not find any further areas for concern. There are two outstanding recommendations. The one for the Police Board to verify assertions of non-employment has been partially implemented through the requirement of an Authorization of Release of Information form for future applicants. The remaining recommendation for the Fire Board to require proof of permanent and total disability was not agreed to by the Fire Board. The Audit Advisory Group should consider further action on this recommendation.

RI Housing, Continuum of Care Grant Administration – RI Housing has made significant progress in the implementation of the outstanding recommendations. The corrective action for many of the outstanding recommendation required HUD approval, and RI Housing is awaiting HUD review and approval.

DOC, Correctional Industries Performance Review – Corrections Management has made progress towards implementation of the recommendations made in this report and the Procurement Process report. The recommendations made in these two reports have projected implementation dates that had not been reached at the time of this update and, therefore, are not considered past due. The Bureau will continue to follow up with DOC on their implementation progress.

DBR, Cash Controls over Fees – DBR Management has completed implementation of some of the recommendations made in the report, and all outstanding recommendations were not past due as of the end of the fiscal year.

DOC, Procurement Process – See the update provided above under “Correctional Industries.”

DOA, Mail Expense Allocation – The one remaining recommendation will take significant technology changes and may not be supported by the mail equipment as it is currently configured. DoIT management has simplified the existing process and is continuing to look at migrating the process to a modern platform.