

2018

OHIO PERFORMANCE TEAM ANNUAL REPORT



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Ohio Auditor of State

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Ohio Performance Team

ANNUAL REPORT 2018



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Purpose

Ohio Revised Code (ORC) § 117.46 requires the Auditor of State to conduct performance audits of at least four state agencies each biennium. ORC § 117.463 requires the Auditor of State to submit in writing an annual report to the Governor, Speaker and Minority Leader of the Ohio House of Representatives, and President and Minority Leader of the Ohio Senate. Its purpose is to document whether state agencies that received performance audits in the immediately preceding year implemented the audit recommendations, and to report the amount of money saved as a result of the implementation.

OPT Overview and Experience

The Ohio Performance Team (OPT) was created to build upon the Auditor of State's long-standing reputation for conducting detailed and effective performance audits of local governments. Since 2011, OPT has identified taxpayer savings of approximately \$31.70 for every dollar spent auditing state agencies and \$19.57 for every dollar spent auditing local governments. In FY 2017-18, OPT expanded service offerings to include performance audits of higher education institutions and feasibility studies for shared service projects.

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State Agency Performance Audits

State agency performance audits examine the economy, efficiency, and effectiveness of government programs and functions. These audits use objective metrics and standards to measure the cost and productivity of services delivered by Ohio's state agencies. Where deficiencies are identified, the audits make recommendations for increasing operational efficiencies and enhancing value on behalf of Ohio taxpayers. Since state fiscal year (FY) 2011-12, OPT has completed 12 regular performance audits of 10 different state agencies, including:

Engagement	Biennium
Ohio Department of Education (ODE)	FY 2012-2013
Ohio Department of Transportation (ODOT)	FY 2012-2013
Ohio Department of Job and Family Services (ODJFS)	FY 2012-2013
Ohio Housing Finance Authority (OHFA)	FY 2012-2013
Ohio Department of Natural Resources (ODNR)	FY 2014-2015
ODOT 2015 Follow-on	FY 2014-2015
Ohio Department of Rehabilitation and Corrections (ODRC)	FY 2014-2015
Ohio Environmental Protection Agency (OEPA)	FY 2014-2015
ODOT 2016 Follow-on	FY 2016-2017
Ohio Bureau of Workers' Compensation (OBWC)	FY 2016-2017
Ohio Department of Agriculture (ODA)	FY 2016-2017
Ohio Department of Health (ODH)	FY 2016-2017

A performance audit of The Ohio State University (OSU) is scheduled to be completed by the summer of 2018. In addition, three other state agency performance audits will be completed by June 30, 2019.

To determine the scope of performance audits, OPT uses a data-driven framework that incorporates savings potential, OPT expertise and the likelihood of a successful implementation. Collaboration with state agency leadership further informs scoping decisions, as OPT attempts to identify opportunities that align with agency goals and initiatives.

Results of completed state agency performance audits encompass a wide variety of recommendation types and business areas within Ohio's state agencies. Recommendations in the 12 state agency audits completed by OPT since FY 2011-12 have identified opportunities for savings in excess of \$103.6 million.

Reports released during previous biennium

The performance audits of ODOT, OBWC, ODH, and ODA were completed during the previous biennium, and this annual report contains the full implementation follow-up reporting.

ODOT – 2016

The ODOT performance audit was released in October 2016, placing it within the window requiring detailed implementation reporting in the current Annual Report. The status of ODOT's implementation status is described in **Implementation Overview** section, beginning on **page 9**.

OBWC

The OBWC performance audit was released in January of 2017, placing it within the window requiring detailed implementation reporting in the current Annual Report. The status of OBWC's implementation status is described in **Implementation Overview** section, beginning on **page 10**.

ODH

The ODH performance audit was released in June 2017, placing it within the window requiring detailed implementation reporting in the current Annual Report. The status of ODH's implementation status is described in **Implementation Overview** section, beginning on **page 12**.

ODA

The ODA performance audit was released in June 2017, placing it within the window requiring detailed implementation reporting in the current Annual Report. The status of ODA's implementation status is described in **Implementation Overview** section, beginning on **page 14**.

Current Biennium Audits

OSU

In July 2017, OSU signed a letter of engagement with the Auditor of State arranging a performance audit. The agreed-upon audit scope will cover a mix of programmatic areas, internal departments, and university-wide opportunities to achieve efficiency, effectiveness, and economy. Final report is expected during the summer of 2018.

Released Reports and Implementation Overview

According to ORC § 117.461 and § 117.462, each audited state agency has a 14-day public comment period following the release of the audit. Within three months following the end of the comment period, the agency must begin implementation of the recommendations. If implementation is not commenced, the agency must report the reasons to the Governor and the legislative leaders of the Ohio House and Senate. In addition, the agency must also report to the Governor and Ohio legislative leaders if the agency does not fully implement the performance audit recommendations within one year after the end of the comment period.

OPT has developed a collaborative, process-driven approach to assist agencies in meeting the requirements for reporting as set forth in the ORC regulations above. This approach is largely one of agency self-reporting, coupled with OPT follow-up. Of the 12 completed state agency performance audits, ODOT (2016), OBWC, ODA, and ODH are subject to detailed implementation reporting in the rest of this report. ODOT (2015), OEPA, ODRC, ODOT (2013), ODJFS, ODE, OHFA, and ODNR are considered fully implemented, the details of which can be found in OPT's 2014, 2015, 2016, and 2017 Annual Reports.

It is important to note that while substantial or even full implementation is possible for some of the recommendations within OPT's annual reporting window, this is not the case for all audit recommendations. Many recommendations require information technology system development, support network expansion, statutory changes, or even additional detailed study prior to full implementation. In cases where state agencies are able to demonstrate substantial and continued progress toward implementing report recommendations, OPT considers agencies to be fulfilling their statutory obligations. Extended implementation also has implications for quantifying the savings agencies realize from OPT recommendations; the majority of the financial impact identified in the ODOT, OBWC, ODH, and ODA audits will accrue in future years.

Released Reports and Implementation Overview

ODOT (2016)

OPT issued the Ohio Department of Transportation (ODOT) Follow-on final report, on Oct. 11, 2016. Final performance audit reports are available on the Auditor of State's website (<http://www.ohioauditor.gov/performance/stateagencies.html>). The following table lists the scope areas yielding recommendations, including those with a quantifiable financial impact. Potential savings are annualized except as otherwise noted.

Recommendations by Assessment Area	Financial Impact
Capital Planning and Budgeting	
• Data Quality	NA
• Operations Data Quality	NA
• Operations Support Cost/Benefit Analysis	\$65,000
• Capital Planning and Budgeting	\$3,500,000
• Adjustment for offset ¹	(\$65,000)
Total Cost Savings from Performance Audit Recommendations:	\$3,500,000

¹ If Capital Planning and Budgeting is fully implemented it will include implementation of Operations Support Cost/Benefit Analysis; as such, the impact is offset from the total financial implication.

ODOT Implementation Status

Per statute, the Auditor of State conducted a comprehensive implementation tracking during the first year following the release of ODOT's performance audit. **As of February 2018, ODOT has begun implementation on all four recommendations (100% compliance).**

Detailed implementation status for each ODOT performance audit recommendation is given in the **Appendix**.

Released Reports and Implementation Overview

OBWC

OPT issued the Ohio Bureau of Workers' Compensation (OBWC) final report on Jan. 10, 2017. Final performance audit reports are available on the Auditor of State's website (<https://ohioauditor.gov/performance.html>). The following table lists the scope areas yielding recommendations, including those with a quantifiable financial impact. Potential savings are annualized except as otherwise noted.

Recommendations by Assessment Area	Financial Impact
Collection Resolution	
• Debt Collection Process	NA
• Collection of Past Due Accounts	NA
Provider Enrollment and Certification	NA
Facility Utilization	
• Regional Service Office	\$770,361
• William Green Building	\$746,266
• Lease Rates	\$928,629
• Warehouse Space	\$130,654
Premium Audit Process	NA
Fleet Management	NA
Total Cost Savings from Performance Audit Recommendations	\$2,575,910

OBWC Implementation Status and Impact

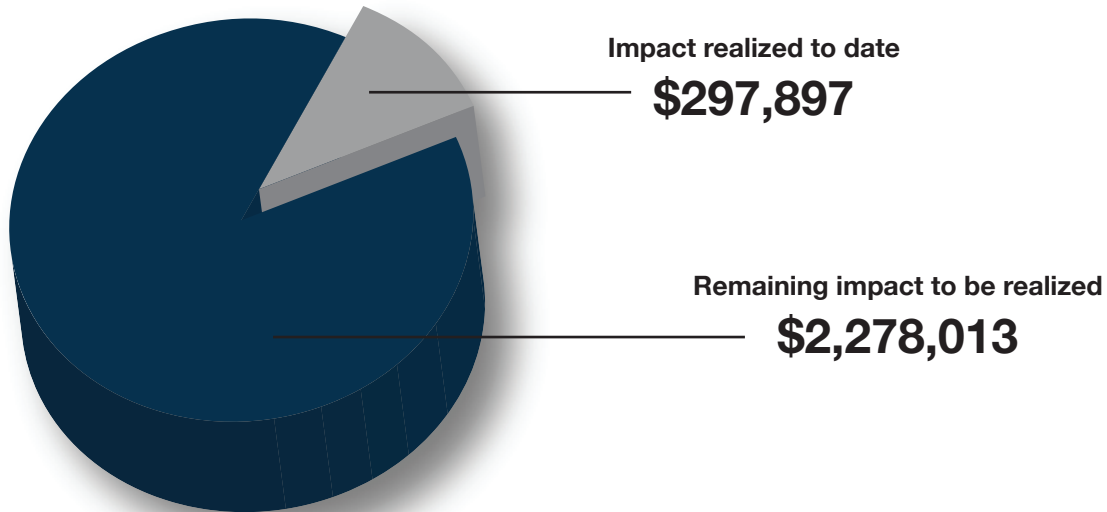
Per statute, the Auditor of State conducted comprehensive implementation tracking during the first year following the release of OBWC's performance audit. **As of February 2018, OBWC has begun implementation on all nine recommendations (100% compliance).** Areas where OBWC has been able to identify substantial savings are as follows:

- **Regional Service Office** – OBWC reports a net reduction of 28,523 Usable Square Feet and 6,684 Rentable Square Feet. To date, OBWC reports **\$117,007** in savings through optimization of square footage.

- **Warehouse Space** – OBWC reports a net reduction of 72,362 Usable Square Feet of warehouse space. To date, the space reductions have led to a net savings of **\$180,890**, which exceeds the projected savings by \$50,236 or 38.4 percent.

Released Reports and Implementation Overview

OBWC Implementation Savings



During this one year period, OBWC was able to identify approximately **\$297,897** in realized savings directly attributable to performance audit recommendations. The bulk of the remaining unrealized financial impact falls within recommendations that require more than one year of lead time to realize returns (e.g., seeking new tenants for available rental space). Detailed implementation status for each OBWC performance audit recommendation is given in the **Appendix**.

Released Reports and Implementation Overview

ODH

OPT issued the Ohio Department of Health (ODH) final report on June 29, 2017. Final performance audit reports are available on the Auditor of State’s website (<https://ohioauditor.gov/performance.html>). The table below lists the scope areas yielding recommendations, including those with a quantifiable financial impact. Potential savings are annualized except as otherwise noted.

Recommendations by Assessment Area	Financial Impact
Bureau of Long Term Care	
• Field-based surveyors	\$240,999
• Complaint investigation	NA
Bureau of Vital Statistics	\$1,031,394
Finance Operations	
• JV Process	NA
• ISTV Process	NA
Certificate of Need	NA
Laboratory Operations	NA
Total Cost Savings from Performance Audit Recommendations	\$1,272,393

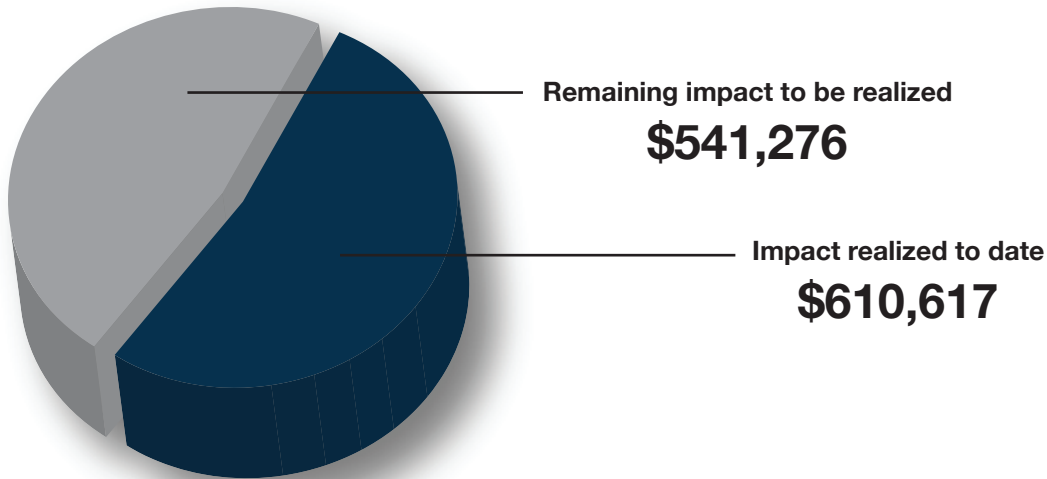
ODH Implementation Status and Impact

Per statute, the Auditor of State conducted comprehensive implementation tracking during the first year following the release of ODH’s performance audit. **As of February 2018, ODH has begun implementation on all seven recommendations (100% compliance).** Areas where ODH has been able to identify substantial savings were all from within the Bureau of Vital Statistics. Specific areas with identified savings are as follows:

- **Death Registration** – ODH reports significant progress moving private physicians towards registering deaths electronically. ODH reports that this resulted in a net cost savings of **\$414,200** in CY 2017.
- **Birth Registration** – ODH reports that all hospital births in 2017 were registered electronically. ODH reports a net savings of **\$138,637** in CY 2017.
- **ODH Staff** – ODH reports that reductions in paper processing led to a net reduction of two positions. ODH reports that this led to a net savings of **\$57,780**.

Released Reports and Implementation Overview

ODH Implementation Savings



During this one year period, ODH was able to identify approximately **\$610,617** in realized savings directly attributable to performance audit recommendations. The remaining unrealized financial impact falls within recommendations that require more than one year of lead time to realize returns (e.g., data collection). Detailed implementation status for each ODH performance audit recommendation is given in the **Appendix**.

Released Reports and Implementation Overview

ODA

OPT issued the Ohio Department of Agriculture (ODA) final report on June 27, 2017. Final performance audit reports are available on the Auditor of State's website (<https://ohioauditor.gov/performance.html>). The table below lists the scope areas yielding recommendations, including those with a quantifiable financial impact. Potential savings are annualized except as otherwise noted.

Recommendations by Assessment Area	Financial Impact
Laboratory Operations	
• Costing Methodology	NA
• Data Collection	NA
Facility Utilization	
• Space Utilization	\$485,727
• Meeting Room Utilization	\$6,526
• Equipment Utilization	NA
• Chemical Storage	NA
Total Cost Savings from Performance Audit Recommendations	\$492,253

Per statute, the Auditor of State conducted comprehensive implementation tracking during the first year following the release of ODA's performance audit. **As of February 2018, ODA has begun implementation on all six recommendations (100% compliance).**

Detailed implementation status for each ODA performance audit recommendation is given in the **Appendix**.

Appendix

ODOT Performance Audit Implementation Summary

Recommendation	Implementation Status	Identified Financial Impact	Impact Realized to date	Remaining Impact to be Realized
1	In Process	NA	NA	NA
2	In Process	NA	NA	NA
3	In Process	\$65,000	\$0	\$65,000
4	In Process	\$3,500,000	\$0	\$3,500,000

Appendix

AOS Performance Audit Response ODOT Capital Planning Recommendation 1

Recommendation R1: ODOT should implement a uniform process that allows for the accurate and timely collection of utility and site O&M data and information, including:			
<ul style="list-style-type: none"> • Utilities – Including water, gas and electric; • In-House O&M – Including labor, equipment and materials; and • Outsourced O&M – Including any and all costs for outsourced maintenance. 			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Process
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Client's Implementation Description:	<p>In 2016, ODOT hired IBM to replace multiple computer systems that ODOT uses. The scope included a new facilities management system that would track labor materials and equipment. Along with this, it would incorporate capital work plans, preventative maintenance plans, building inventory tracking, building equipment and utility tracking. During the development process, it was decided to non-perform a portion of IBM's proposed solutions that included the facility management software.</p> <p>As a result, ODOT has hired a vendor to provide analysis of the non-performed solutions and make suggestions to the agency. We are currently awaiting their recommendations and look to incorporation them into the technology plan for the agency.</p>		
Auditor response:			

Appendix

AOS Performance Audit Response ODOT Capital Planning Recommendation 2

Recommendation R2: ODOT should implement a uniform process that allows for the accurate and timely collection of operations data and information, including:			
<ul style="list-style-type: none"> • Routes – Including snow and ice control route assignments, treated lane miles, and deadhead miles; • Equipment – Including route truck assignments, plow truck salt and materials capacity, and plow truck cost per mile; and • Weather Events – Including route cycle 			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>ODOT has two projects in the research/implementation phase that will allow for the accurate and timely collection of data for snow and ice routes, equipment and weather events.</p> <p>The first project is a GPS/AVL project underway in Ashtabula, Cuyahoga, Geauga, and Lake counties. The 300 trucks in these 4 counties will be outfitted with GPS/AVL units which will allow for the tracking and reporting of information from these vehicles as they follow their assigned routes, treat the roadway with salt and liquid materials, and travel to and from (deadhead miles) the garage to their assigned routes. Installation of these units is scheduled to take place in February, 2018 and be in place for the remainder of the winter season.</p> <p>An evaluation of the effectiveness of this project will take place in the spring of 2018 and at that point a decision will be made to implement the GPS/AVL project on some portion of the remaining 1600 snow and ice fleet and the schedule for that implementation.</p> <p>The second project is a Route Optimization project. This project will allow a manager to assess the weather event and optimize the route assignments based on the weather, trucks, and drivers available for that event. The Route Optimization program takes into account the priority level of the route (first, second or third), deadhead time, cycle time (90, 105, or 120 minutes in length) for the respective priority, the truck type (single or dual axle), and the salt tonnage capacity of the vehicle (which impacts the salt per lane mile which can be applied before running out of salt).</p> <p>This project was researched in Districts 1, 2 and 10 and is now being implemented statewide for the 9 remaining districts. At its current stage, ODOT is testing its existing historic routes and examining how the program evaluates those routes. In the spring of 2018, ODOT will allow the program to determine the best routes under several different scenarios. At this point the program will be evaluated and if successful, the program will begin evaluating routes for storms taking place in the winter of FY 2019.</p>		
Auditor response:			

Appendix

**AOS Performance Audit Response
ODOT Capital Planning
Recommendation 3**

Recommendation R3: ODOT should incorporate formal cost/benefit analyses into the facilities planning process in order to identify and implement opportunities for greater efficiency and effectiveness. These analyses should use data and information from operations, primarily snow and ice control (see Operational Data Quality), as well as facilities (see Data Quality), to assess the business needs and evaluate the relative costs and benefits of alternative facility options.			
Recommendation Addressed?	Yes	Identified Financial Impact:	\$65,000
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	\$65,000
Clients' Implementation Description:	<p>At this time, ODOT uses data to assess the size/type of facilities to construct during the planning process. The truck storage area is based on the number of snow and ice trucks needed to serve the required lane miles, the salt structure based on the previous five-year average salt usage and the fuel tank size is based on the historic average fuel use.</p> <p>However, the two projects listed in R2, plus a recently completed project, "Assessment of Salt Procurement and Distribution Process" will better allow ODOT to use cost/benefit in its decision-making.</p> <p>The "Assessment of Salt Procurement and Distribution Process" takes into account the vulnerability of the county (i.e., does the facility have issues with late salt deliveries and nearness of another facility with adequate salt), historic salt use, and historic cost-to-build costs. The sizing tool developed from this study will allow for cost/benefit to be incorporated into the evaluation while at the same time assuring a salt structure of adequate size to assure a sufficient stockpile during the winter season.</p> <p>The sizing tool will later take into account data from the Route Optimization study discussed in R2 as the Route Optimization project could propose new, modified, or eliminated routes, changes to the salt fill location of the routes, and the actual use of salt (from the GPS/AVL data).</p>		
Auditor response:			

Appendix

AOS Performance Audit Response ODOT Capital Planning Recommendation 4

<p>Recommendation R4: ODOT should develop a consistently applied, data-driven process to guide capital planning and budgeting decisions. The process should involve input from key stakeholders, including Central Office, district, and county leadership, in order to identify key metrics to assess which sites are most critical to the Department’s mission. At a minimum, the process should include a standardized method to:</p> <ul style="list-style-type: none"> • Evaluate each site’s conditions and assessing deferred maintenance; • Evaluate each site’s purpose in meeting the Department’s mission; and • Compare all sites, as well as alternative options, such as replacing outposts with yards where possible, in order to optimize capital investment. 			
Recommendation Addressed?	Yes	Identified Financial Impact:	\$3,500,000
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	\$3,500,00
<p>Clients’ Implementation Description:</p>	<p>The Master Planning Process utilized by the agency allows for the gathering of statewide information for the purposes of making logical decisions taking into account the effect of those decisions on the entire system. The intent is to reduce the number of full service facilities, increase the use of yards and gain efficiencies in our operation. As we move toward obtaining a Facilities Management software solution as noted in R1 we will improve our ability to make data-driven decisions.</p> <p>Our capital plan includes the construction of several shared facilities that will be utilized by several ODOT locations as well as outside agencies. In the northern region, we are combining multiple existing locations into a more centralized single campus thereby reducing the number of facilities. By blurring District and County lines, we are lowering our capital investment and increasing services to the public. We have also converted weigh stations previously utilized by our partners at the Department of Public Safety into salt yards. Some locations along the interstate have proven to be effective in providing salt where it is most needed.</p>		
Auditor response:			

Appendix

OBWC Performance Audit Implementation Summary

Recommendation	Implementation Status	Identified Financial Impact	Impact Realized to date	Remaining Impact to be Realized
1.1	In Process	NA	NA	NA
1.2	In Process	NA	NA	NA
2.1	In Process	NA	NA	NA
3.1	In Process	\$770,361	\$117,007	\$653,354
3.2	In Process	\$746,266	\$0	\$746,266
3.3	In Process	\$928,629	\$0	\$928,629
3.4	In Process	\$130,654	\$180,890	(\$50,236)
4.1	In Process	NA	NA	NA
5.1	Completed	NA	NA	NA

Appendix

AOS Performance Audit Response OBWC Collection Resolution Recommendation 1.1

Recommendation 1.1: OBWC should gather, analyze, and communicate key collections data to ensure that the debt collections process is conducted in an effective and timely manner.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>Key data regarding collection activities is managed in data bases tracking dollars collected and call volumes for the Collections Department and accounts resolved by the Employer Compliance Department. This information is communicated on a weekly basis to Fiscal and Planning management.</p> <p>Reports identifying all lapsed employer accounts are ran on a regular basis. These reports are used for outreach assignments to collect past-due installments and bring employers back into compliance.</p> <p>Future efforts will focus on using features contained within the core business system along with the possibility of a robotics/process automation pilot to more efficiently use our resources in collecting outstanding debt.</p>		
Auditor response:			

Appendix

AOS Performance Audit Response OBWC Collection Resolution Recommendation 1.2

Recommendation 1.2: OBWC should implement formal policies and procedures for the collection of past due accounts receivable. In doing so, the Bureau should implement practices that increase the overall efficiency of the collections function, such as standardized time frames and the use of varied mediums for account outreach.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>OBWC has formalized policies and procedures for collecting past due premium receivables. Collection activities continue to be evaluated to maximize the use of OBWC resources and to align activities with industry best practices. Current procedures for collection of premium receivables include the following:</p> <ul style="list-style-type: none"> • Statements are mailed monthly to customers with outstanding balances. In the coming months, these statements will be available on-line with e-mail notifications to inform the customer the statement is available for viewing. • E-mail notifications are sent to customers not paying by the due date so payment can be made prior to the expiration of the grace period. • Letters, to inform customers their workers' compensation insurance has lapsed, are automatically generated by the billing system for accounts with installment billings not paid by the end of the grace period. E-mail notifications are also generated. • Accounts lapsed in the current month are contacted by staff from the Employer Services Division, while Collections Department staff contact accounts that have been lapsed for more than 30 days, and the Employer Compliance Department is responsible for contacting accounts that have been lapsed for more than 60 days. <p>OBWC has also increased outreach to help employers better understand workers' compensation insurance and the billing process. Better understanding should help by increasing compliance and decreasing account delinquencies. These efforts include:</p> <ul style="list-style-type: none"> • Monthly webinars and videos on selected topics will help employers better understand the workers' compensation system. • The OBWC website is currently being redesigned to improve the customer experience with easier to understand information and improved accessibility to those items most important to an employer. • The layout and design of the monthly statement is also being updated to improve the readability and understanding for customers with a planned release during the first half of 2018. 		
Auditor response:			

Appendix

AOS Performance Audit Response OBWC Provider Enrollment and Certification Recommendation 2.1

Recommendation 2.1: OBWC should develop a performance framework to determine the cost and benefit associated with its planned IT updates. At a minimum, the framework should take into account each planned update to PEC's goals, the planned efficiency impact, and with collaboration from OBWC's IT division, the cost. Utilizing this information will ensure that OBWC deploys resources effectively and efficiently when needed.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>BWC has established a Project Management Office that helps to define business requirements and any needed IT resources. Significant projects are presented to the Governance Committee (comprised of senior management) before resources are committed to projects. A summary of the project, number of hours, and cost/benefit are all factors that are considered by the Committee prior to approval.</p> <p>Future enhancements to the Provider Enrollment and Certification (PEC) function will be approached in a fiscally responsible manner to ensure resources are utilized effectively and efficiently.</p>		
Auditor response:			

Appendix

AOS Performance Audit Response OBWC Facility Utilization Recommendation 3.1

Recommendation 3.1: OBWC should right size regional service offices to efficiently meet space needs while minimizing unnecessary lease cost. The Bureau can do so by employing an industry benchmark to quantify space needs and then renegotiate existing leases or seek alternative office locations. Although the Bureau will incur a one-time moving cost for each right-sizing effort, the ongoing annual savings will pay for this cost, as well as generate cumulative savings, within a reasonable timeframe; often in less than two years.			
Recommendation Addressed?	Yes	Identified Financial Impact:	\$770,361
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	\$117,007
		Remaining Impact to be Realized	\$653,354
Clients' Implementation Description:	<p>OBWC is nearing completion on two right-sizing efforts in Cincinnati and Mansfield. The summary for each is as follows:</p> <ol style="list-style-type: none"> 1. <u>Cincinnati Governor's Hill office relocation to Springdale</u> <ul style="list-style-type: none"> • Net reduction of 10,522 Usable Square Feet (USF) • Net reduction of 6,684 Rentable Square Feet (RSF) • Net savings of \$156,527 in annual rent • Move-in date set for weekend of 1-12-18 and the Springdale office opened for business on 1-16-18. • Governor's Hill lease terminates as of 1-31-18 • Springdale lease effective as of 2-1-18 • Net reduction of \$1,283 Occupancy Cost per Employee • Net reduction from 363 RSF per Employee to 308 RSF • One time moving costs of \$57,144 • One time TI contribution of \$249,040 • Two-year payback period 2. <u>Mansfield office right-sizing</u> <ul style="list-style-type: none"> • Net reduction of 18,001 Usable Square Feet (USF) (RSF=USF in Mansfield) • Net savings of \$234,013 in annual rent • Lease effective date for reduced USF was 7-1-17, and since we were permitted to occupy space (during construction) that we will be vacating, the Lessor essentially agreed to 7.5 months of rent abatement, or \$146,258. This amount reduces the TI contribution from \$842,914 to \$696,656, which subsequently reduces the payback period from approximately 3.7 years to 3.1 years. • Construction completion anticipated by mid-February 2018 • Net reduction of \$3,900 Occupancy Cost per Employee • Net reduction from 745 RSF per Employee to 445 RSF (Space is shared with the Ohio Industrial Commission, so RSF per Employee is above average due to size of lobby and associated hearing rooms) • One time moving costs of \$17,120 • One time TI contribution of \$842,914 (exclusive of rent abatement) • 3.7-year payback period (exclusive of rent abatement) <p>Financial impact realized to date includes 6 months of annual rental savings for the first half of fiscal year 2018 for the Mansfield office.</p> <p>OBWC will continue to review opportunities for right-sizing efforts to minimize any unnecessary lease costs.</p>		

Appendix

AOS Performance Audit Response OBWC Facility Utilization Recommendation 3.2 & 3.3

Recommendation 3.2 & 3.3:			
R.3.2: OBWC could increase William Green Building lease revenue by \$746,266 annually by rightsizing the Bureau's offices and renting out the unneeded space.			
R.3.3: OBWC should bring lease rates for the William Green Building in line with market rates. In doing so, the Bureau can remain market competitive in its offering while generating additional lease revenue.			
Recommendation Addressed?	Yes	Identified Financial Impact:	\$1,287,093
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	\$1,287,093
Clients' Implementation Description:	<p><u>Regarding R.3.2:</u> OBWC works in conjunction with DAS Real Estate to offer space when DAS cannot find suitable space for other agencies in either the Rhodes or Riffe towers. Should the need arise; OBWC is willing to evaluate our ability to reduce our occupied space in the William Green Building to assist DAS Real Estate in their mission.</p> <p><u>Regarding R.3.3:</u> As a public entity, OBWC does not pay property taxes, and we cannot lease space on a for-profit basis. When OBWC began leasing William Green Building space to other state agencies in 2010, the lease rates were calculated to recoup operating costs only, and we continue to evaluate our operating costs annually to insure the current lease rates are still appropriate.</p> <p>Because of the above, OBWC can offer Class A office space to other state agencies at below market rents when compared with private sector. OBWC is privileged to offer this amenity to other agencies while simultaneously being reimbursed for operating costs that would be incurred even if the space were empty.</p>		
Auditor response:			

Appendix

AOS Performance Audit Response OBWC Facility Utilization Recommendation 3.4

Recommendation 3.4: OBWC should right size its warehouse space to efficiently meet its needs. Doing so will allow the Bureau to minimize unnecessary lease and utilities cost.			
Recommendation Addressed?	Yes	Identified Financial Impact:	\$130,654
Implementation Status:	Completed	Financial Impact Status:	Completed
		Impact Realized-to-Date:	\$180,890
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>OBWC warehouse was relocated to a space that is 24,160 square feet in July 2017. This move resulted in the following:</p> <ul style="list-style-type: none"> • Net reduction of 72,362 Usable Square Feet (USF) (RSF=USF) • Net savings of \$361,780 in annual rent • New lease effective as of 7-1-17 • One time moving costs of \$162,462 • One time TI contribution of \$186,616 • Less than one-year payback period <p>Impact realized-to-date includes 6 months of annual rental savings for the first half of fiscal year 2018. The annual rental savings of \$361,780 exceeds the identified financial impact by \$231,126.</p>		
Auditor response:			

Appendix

AOS Performance Audit Response OBWC Premium Audit Process Recommendation 4.1

Recommendation 4.1: OBWC should develop a formal premium audit selection methodology that takes into account both the likelihood of a misadjusted premium as well as the need to provide adequate coverage for all employers. After adoption, the Bureau should ensure that all audit staff are following the methodology and process as intended. A consistent, uniformly applied methodology and process will allow the Bureau to optimize workload and staffing in a manner that best meets its goals.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>OBWC had utilized a formal audit selection process that used multiple indicators to identify the high-risk policies by scoring or grading policies, However, as a result of a recent Internal Audit review of the selection process, this "statistical analysis," referred to as the Audit Scorecard process, was discontinued.</p> <p>The Fiscal Year 2018 Audit Plan places primary focus on conducting "physical audits" of policies with the highest amount of premium paid in the most recent completed policy year. Additional criteria used in the development of the audit plan include projects such as internal staff referrals, policies associated with payroll service vendors and policies identified from the true-up variance report.</p> <p>To ensure that all audit staff are following the methodology and process as intended, instructions have been given to audit supervisors to assign audits based on highest dollar premiums. Reports will be generated and reviewed to ensure that completed audits reflect the criteria included in the audit plan.</p> <p>OBWC is also working on two significant initiatives that will further enhance the audit selection process as well as increasing audit coverage:</p> <ul style="list-style-type: none"> • A proposal to use data analytics to identify the policies with the highest risk along with identifying the type of policies that generate the highest percentage of findings per audit. • The purchase of online audit application program. Small to medium size employers will be directed to complete the online "turbo tax" style of audit, which is then reviewed by the vendor for accuracy. 		
Auditor response:			

Appendix

AOS Performance Audit Response OBWC Fleet Management Recommendation 5.1

Recommendation 5.1: OBWC should develop a performance management framework for the fleet that is designed to inform long-term strategic decision making, with the goal of improving the efficiency and effectiveness of services. At a minimum, the framework should take into account the type, number, and purpose of vehicles as well as individual vehicle expenditures, mileage, and age. Finally, in collecting the data necessary to inform the framework, the Bureau should make greater use of Voyager. This includes reviewing purchasing practices to ensure that Voyager is being used for all vehicle expenses when appropriate and expenditures are properly recorded by employees. In addition, the Bureau should utilize other sources of data, including OAKS, in order to capture all fleet expenditures.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>A Certified Automotive Fleet Manager (CAFM) joined OBWC in November 2016 to supervise and manage OBWC's vehicle fleet.</p> <p>A performance management framework is in place within Fleet Ohio but the process for gathering information from non-Voyager Card transactions needs improvement (and is in progress). Fleet Ohio provides an Equipment Replacement Analysis report which includes the year, make, model, most recent mileage, annual miles traveled, maintenance costs, age of the vehicle and operating cost per mile (CPM - which is an automotive standard key performance indicator). All items included in this report are considered when determining vehicle replacement recommendations each year.</p> <p>OBWC's Fleet Management Supervisor has been trained on Fleet Ohio to add non-Voyager Card Transactions that apply to the cost per mile calculation. The new Fleet Management Supervisor meets with OBWC, Safety & Hygiene, and Fraud groups to assess current vehicle inventory to determine whether replacements should be of similar size and type or be changed to better match employees' job duties and equipment required to complete those duties.</p> <p>OBWC has recently partnered with the Department of Administrative Services (DAS) Office of Fleet Management to establish a motor pool rental program to service OBWC, the Ohio Industrial Commission, and eventually other state agencies located near the William Green Building.</p>		
Auditor response:			

Appendix

ODH Performance Audit Implementation Summary

Recommendation	Implementation Status	Identified Financial Impact	Impact Realized to Date	Remaining Impact to be Realized
1.1	In Process	\$120,499	\$0	\$120,499
1.2	In Process	NA	NA	NA
2.1	In Process	\$1,031,394	\$610,057	\$421,337
3.1	In Process	NA	NA	NA
3.2	In Process	NA	NA	NA
4.1	In Process	NA	NA	NA
5.1	In Process	NA	NA	NA

Appendix

AOS Performance Audit Response ODH Bureau of Long Term Care Recommendation 1.1

Recommendation 1.1: ODH should seek to further diversify hiring practices for field-based surveyors. Hiring more employees from disciplines other than Registered Nurses could result in decreased turnover, decreased training time, and increased survey productivity. However, the exact workforce composition will remain dependent on the need to staff surveys and complaint investigations in accordance with State and federal requirements and Bureau guidelines.			
Recommendation Addressed?	Yes	Identified Financial Impact:	\$120,999
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	Too early to assess
		Remaining Impact to be Realized	TBD
Client's Implementation Description:	<p>CMS/federal requirements allow for a broad range of disciplines to be utilized as surveyors; however, the current labor contract limits ODH to only 4 disciplines (registered nurse, dietician, registered sanitarian, and licensed social worker). ODH surveyor positions are posted targeting social worker and dietician specific applicants. In 2017, ODH hired 43 survey staff including: 8 Health and Safety Consultants, 1 social workers, and 3 dieticians. In January 2018, ODH will onboard an additional 8 surveyors that will include 2 social workers.</p> <p>In September 2017, ODH's Office of Health Assurance and Licensing's Bureau of Long Term Care and Bureau of Community Health Care Facilities and Services were realigned into a single new bureau. The new Bureau of Survey and Certification will more efficiently utilize staff and enhance coordination of survey functions, more evenly distributed survey workload across geographic regions, and foster greater collaboration in survey operations. All survey work previously conducted by the Bureau of Community Health Care Facilities and Services requires a registered nurse. ODH will continue to seek a diversified workforce for survey activities in anticipation of gained efficiencies when possible under the realigned Bureau of Survey and Certification.</p>		
Auditor response:			

Appendix

AOS Performance Audit Response ODH Bureau of Long Term Care Recommendation 1.2

Recommendation 1.2: ODH should seek to use dedicated complaint teams to achieve predictability in complaint investigation staffing and scheduling while minimizing day-today operational disruption. The exact sizing and location of the complaint teams should be determined by the Department, but should be informed by a data driven approach that incorporates the geographic location of complaints, daily patterns in the frequency of complaints received, and the amount of survey time required to perform complaint investigations. Finally, the Department should incorporate an evaluation of the tradeoffs in workload coverage and idle time as well as overall disruption to other survey activities when determining the exact sizes and locations of the dedicated complaint teams.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>ODH continues to take a multi-phase approach to complaint management changes.</p> <p>In September 2017, ODH completed a Phase I pilot for streamlined complaint work processes. In October 2017, the successful results from Phase I were implemented statewide, which included newly created complaint templates and checklist. The surveyors reported these documents were useful in guiding the investigations and reducing the time spent on writup.</p> <p>In November 2017, CMS released new regulations and a new survey process for Long-Term Care (LTC). All staff have successfully completed the required training and now survey under the new regulations and processes. ODH anticipates the new post-survey revisit process for these changes will be released to states in January 2018.</p> <p>Additionally, ODH is anticipating a new automated scheduling system to be in production in by 4/11/18. This system will optimize the scheduling and aide in a Phase II complaint pilot.</p> <p>With the implementation or pending implementation of the above changes, ODH anticipates the Phase II pilot will be initiated mid-2018. The Phase II pilot will create dedicated complaint teams utilizing the audit report data and volunteer surveyors in geographic regions with the highest volume of complaints and/or mandation.</p>		
Auditor response:			

Appendix

AOS Performance Audit Response ODH Bureau of Long Term Care Recommendation 2.1

Recommendation 2.1: The Bureau of Vital Statistics should implement updates to its system for processing birth and death records in order to reduce the amount of paper based certificates in the process. Doing so will free up labor hours within the Bureau and these labor hours should either be reduced through attrition, where possible, or reallocated to higher priority assignments.			
Recommendation Addressed?	Yes	Identified Financial Impact:	\$1,031,394
Implementation Status:	Completed	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	\$610,617
		Remaining Impact to be Realized	\$819,057
Implementation Description:	<p><u>Death Registration</u> The reconfiguration of our death registration system to permit electronic death registration was completed on October 10, 2016, at which time all coroner-related deaths began to be registered electronically. The process for bringing private physicians onto the electronic registration system encompasses several years, as there is a large number of private physicians and the training requirement is extensive. In addition, there are approximately 5,000 physicians that certify less than five deaths per year who may never utilize the electronic process. Therefore, the focus of the Bureau of Vital Statistics is to train and convert high-volume private physicians. Through 2017, approximately 27,780 deaths were registered electronically for a cost avoidance of \$414,200 less the \$57,000 cost of implementation. Based on the results of 2017 and the predicted number of additional physicians, it is expected that 30% of all Ohio deaths will be electronically registered in 2018. Based on the cost avoidance estimates provided by the Auditor of State, in 2018 the funeral directors and local registrars should realize a \$36,760 cost avoidance.</p> <p><u>Birth Registration</u> The implementation of converting our birth registration system to electronic was completed on January 1, 2017. All hospital births for 2017 were registered electronically. Assuming that the number of births in 2107 will be close to that of 2016 and based on the cost estimates provided by the Auditor of State, the local registrars should have realized a \$138,637 cost avoidance. This cost avoidance should continue throughout all, upcoming years. A \$28,880 implementation cost was incurred by ODH.</p> <p><u>ODH Staff</u> Due to the reduction of paper death records and the complete elimination of paper birth records, the Bureau of Vital Statistics was able to reduce their Table of Organization by two positions. Based on an average cost of a Clerk 3 position, the total cost avoidance for those two positions is \$143,660 and should remain as a reduction throughout all subsequent years.</p> <p><u>Computation</u> The Impact Realized-to-Date figure includes the \$414,200 death cost avoidance, the \$138,637 birth cost avoidance, and the \$143,660 ODH staff cost avoidance less the \$85,880 implementation cost. The Remaining Impact to be Realized figure includes all death, birth, and ODH cost avoidances (\$536,760 death, \$138,637 birth, and \$143,660 ODH staff).</p>		
Auditor response:			

Appendix

AOS Performance Audit Response ODH Bureau of Long Term Care Recommendation 3.1

Recommendation 3.1: ODH should make operational improvements to its JV process in order to reduce process time and reliably track key pieces of business intelligence, such as the reason for the JV. Additionally, the Office should reallocate staff hours to higher priority tasks or reduce staff hours through attrition, where possible, in order to realize potential savings from a reduction in labor hours.			
Recommendation Addressed?	No	Identified Financial Impact:	N/A
Implementation Status:	Completed	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	Up to 310 staff hours
		Remaining Impact to be Realized	Up to 250 hours of staff time per year
Clients' Implementation Description:	<p>The processing of a Journal Voucher (JV) is a transaction that is used to correct payment errors or strategically recede completed expenses to ensure the efficient use of available resources. As ODH's Office of Financial Affairs (OFA) oversees all of the department's financial transactions, it is responsible for initiating and processing all department JVs.</p> <p>At the beginning of AOS's Performance Audit engagement, OFA identified that the JV process could be improved and actively worked with AOS on streamlining it. OFA fully implemented the then-draft recommendations of AOS's Performance Audit at the start of FY17, which included both the tracking of the rationale behind an individual JV and the implementation of the ADS- recommended process workflow.</p> <p>The following improvements have resulted from the implementation of the recommended workflow:</p> <ul style="list-style-type: none"> • The new JV process has fewer steps and involves fewer units within OFA (i.e., the Accounting Unit is no longer involved), which has allowed the office to reallocate staff hours to higher priority tasks. Coinciding with the process change, the Accounting Unit was able to eliminate one position (while not a result of the process change, the reduction in workload associated with this activity aided the change). • OFA estimates that the process change has reduced the time required to process a JV by up to approximately 50 minutes per JV; with 373 JVs for FY17 and FY18 (year-to-date), this results in approximately 310 hours of staff time that were redirected to higher priority tasks. <p>The JV process is now fully electronic, eliminating the need for the printing and storing of paper.</p>		
Auditor response:			

Appendix

**AOS Performance Audit Response
ODH Bureau of Long Term Care
Recommendation 3.2**

Recommendation 3.2: ODH should make operational improvements to its ISTV process in order to reduce process time and reliably track key pieces of business intelligence, such as process times. In doing so, the Office should implement updates to its Accounts Receivable system to create an electronic workflow that would reduce paper-based documentation and improve process workflow and transparency of the process.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	Completed	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	Some time Savings
		Remaining Impact to be Realized	TBD
Clients' Implementation Description:	<p>The processing of an Intra-State Transfer Voucher (ISTV) is a transaction by which a state agency or cost unit transfers cash to another for various purposes, including the provision of services. As ODH's Office of Financial Affairs (OFA) oversees all of the department's financial transactions, it is responsible for processing all department ISTVs.</p> <p>At the beginning of AOS's Performance Audit engagement, OFA identified that the ISTV process could be improved and actively worked with AOS on streamlining it. OFA implemented AOS's then-draft recommended process workflow at the start of FY17, which and the implementation of the AOS-recommended process workflow.</p> <p>OFA has also been working with the Office of Management Information Systems (OMIS) to construct a new revenue system, which will allow for the implementation of recommendations regarding electronic workflow, paperless processing, and increased transparency. The system go-live date is targeted for July 1, 2018.</p> <p>The following improvements have resulted from the implementation of the recommended workflow:</p> <ul style="list-style-type: none"> • The new ISTV process has fewer steps and involves fewer units within OFA (i.e., the Grants Services Unit is no longer involved), which has allowed the office to reallocate staff hours to higher priority tasks. Coinciding with the rebuilding of ODH's revenue system (planned prior to the AOS engagement) and the implementation of AOS's recommended process change, the Revenue and Cash Management Unit was able to eliminate one position. While not a result of the process change, the reduction in workload associated with this activity aided the change. • The ISTV process is now electronic beginning with the Accounting Unit phase of the workflow, reducing the need for the printing and storing of paper. The entire process will be fully electronic at the go-live date for the new revenue system. The new system will also allow for the tracking of ISTV processing times. <p>While OFA estimates that the process change will only minimally reduced the time required to process an ISTV, it will reduce confusion and allow less people to be involved, which may lead to reductions in processing over time.</p>		
Auditor response:			

Appendix

**AOS Performance Audit Response
ODH Certificate of Need
Recommendation 4.1**

Recommendation 4.1: ODH should work with the General Assembly to seek to streamline and clarify the Certificate of Need review process. In doing so, the Department should ensure that steps that are value-add to the final determination of a Certificate of Need is preserved, but that unnecessary, time-consuming steps are reduced and/or eliminated. Furthermore, the Department should systematically track and utilize key pieces of business intelligence such as the location and ownership of long-term care beds. Doing so will allow for up-to-date insight into how the market is meeting actual demand for services as well as determining how the approval of a Certificate of Need will impact meeting demand.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	N/A
		Impact Realized-to-Date:	BTD has facilitated answering bed related questions
		Remaining Impact to be Realized	Possible efficiencies gained by legislative change
Clients' Implementation Description:	OHAL continues to conduct extensive process review meetings to prepare for possible draft legislation. The Bed Tracking Database (BTD) has been completed and is in production.		
Auditor response:			

Appendix

AOS Performance Audit Response ODH Laboratory Operations Recommendation 5.1

Recommendation 5.1: ODH should develop a laboratory information management system that meets the operational needs of the Department. At minimum, the system should take into account the Department's goals and employee workload measures while providing an easy-to-use interface. This will enable the Department to analyze workload data to ensure the laboratory is operated in an efficient, effective manner.			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	In Progress
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>The ODH Lab has been working diligently to put together an RFP to find a new Laboratory Information Management System. The lab has been engaged with the contract staff at DAS throughout the fiscal year to define and refine the requirements and methodology for the project.</p> <p>The ODHL has been working to refine RFP requirements to ensure the needs of the lab and the recommendations provided by the AOS can be met. This includes the requirement of tracking all transactions that occur within the system by user, allow for interfacing with existing lab instruments, and providing standardized reporting to meet lab and stakeholder needs.</p> <p>The RFP is currently in the review stages before being placed out for bid by DAS. The ODHL anticipates that the RFP will be posted by DAS by the end of the second quarter of calendar year 2018. Implementation timeline will be dependent on the responses provided by vendors in their bid package.</p> <p>There is an anticipated financial impact that will be realized by the decreased need for manual data entry once this project is implemented. This reduced need will free up staff resources to focus on other testing related activities. The amount of the financial impact related to staff resources cannot be measured at this time.</p> <p>There is also an anticipated financial impact related to the maintenance and support of the system. The current system is using older technology and requires specialty knowledge in order to provide support in fixes. The requirements of the new system will include flexibility, easier system configuration and administration, and standardized modules. The implementation of these upgrades should reduce the number of staff resources that are internally needed to provide break/fix support and should also remove the need for a third-party system maintenance contract, which currently costs \$40,000 annually.</p>		
Auditor response:			

Appendix

ODA Performance Audit Implementation Summary

Recommendation	Implementation Status	Identified Financial Impact	Impact Realized to Date	Remaining Impact to be Realized
1.1	In Process	NA	NA	NA
1.2	In Process	NA	NA	NA
2.1	In Process	\$485,727	\$0	\$485,727
2.2	In Process	\$6,526	\$0	\$6,526
2.3	In Process	NA	NA	NA
2.4	In Process	NA	NA	NA

Appendix

AOS Performance Audit Response ODA Laboratory Operations Recommendation 1.1

Laboratory Operations R1.1 – Implement uniform test costing methodology			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	N/A
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	In Process: The ODA laboratories (ATL, ADDL, and CPL) created SOP ADM 01 "Laboratory Fee Calculation Procedure" effective date 12-22-2017. This new SOP will be used across the ATL, ADDL and CPL laboratories in order to create one uniform procedure for fee calculation. The procedure includes definitions of costing elements and outlines the necessary information to be captured across all tests for calculating fees. A goal has been set to complete test fee calculations for all ATL, ADDL, and CPL laboratory tests before Jan 1 st 2019.		
Implementation Description:	.		
Auditor response:			

AOS Performance Audit Response ODA Laboratory Operations Recommendation 1.2

Laboratory Operations R1.2 – Implement laboratory tracking system of direct labor hours			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	N/A
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	In Process: In July 2017, ODA reviewed EPA's laboratory time tracking system. ODA's Human Resources and IT offices are reviewing how the upcoming move to Kronos timekeeping could be used to match overtime and leave time with corresponding testing volumes of the laboratories.		
Implementation Description:			
Auditor response:			

Appendix

AOS Performance Audit Response ODA Utilization Recommendation 2.1

Facility Utilization R2.1 – Consolidate office and laboratory space to maximize efficiency			
Recommendation Addressed?	No	Identified Financial Impact:	\$ 485,727
Implementation Status:	In Process	Financial Impact Status:	N/A
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	\$485,727
Clients' Implementation Description:	In Process: Before pursuing the lost value concept of converting laboratory space to office space we reached out to stakeholders to see if there would be any interest in using some of ODA's available office and laboratory space in CPL for their purposes. Through Laboratory Integration talks, OEPA and ODH are interested in using both office and laboratory space in CPL. We will continue to pursue this option of maximizing space for our state agency partners as a first priority.		
Implementation Description:			
Auditor response:			

AOS Performance Audit Response ODA Utilization Recommendation 2.2

Facility Utilization R2.2 – Track meeting room space and consider repurposing			
Recommendation Addressed?	No	Identified Financial Impact:	\$6,526
Implementation Status:	In Process	Financial Impact Status:	N/A
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	\$6,526
Clients' Implementation Description:	In Process: Before repurposing meeting space, we are working to better track room usage. ODA's IT office is switching to an outlook based room scheduling system that will include all rooms and allow for a more thorough inventory of usage to be collected. Once this system is in place and the inventory completed, will ODA further pursue repurposing.		
Implementation Description:			
Auditor response:			

Appendix

**AOS Performance Audit Response
ODA Utilization
Recommendation 2.3**

Facility Utilization R2.3 – Track usage of grounds keeping and facility maintenance equipment			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	N/A
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	In Process: Currently the maintenance team keeps a log of all trackable equipment on the grounds. Any equipment that can be tracked by mileage, hours or years is tracked via an excel spreadsheet. This log also keeps track of all notes pertaining to each piece of equipment. The maintenance chief will conduct a review of this log annually and present a report to the administration team during a budget planning meeting indicating recommendations on whether or not the fleet is right sized and any actions that need to be taken or planned for in the future regarding equipment listed in the log.		
Implementation Description:			
Auditor response:			

Appendix

**AOS Performance Audit Response
ODA Utilization
Recommendation 2.4**

Facility Utilization R2.4 – Ensure chemicals are stored properly			
Recommendation Addressed?	Yes	Identified Financial Impact:	N/A
Implementation Status:	In Process	Financial Impact Status:	N/A
		Impact Realized-to-Date:	N/A
		Remaining Impact to be Realized	N/A
Clients' Implementation Description:	<p>In Process: Chemicals found to be stored outside of the current inventory system have been documented in the current system and moved or discarded. All Reynoldsburg laboratories (ODA, ODH, & OEPA) are reviewing a cloud based chemical inventory and management software program utilizing barcodes for scanning and tracking all bulk chemical movement and storage in the laboratories. This program would allow the laboratories to identify where chemicals are stored along with the quantities of chemicals per location. It would help ensure all chemicals are tracked, accounted for and stored properly. The program would also automatically update the SDS for each chemical in the inventory and would allow first responders access to the chemical inventory so hazards could be identified prior to arrival on site.</p>		
Implementation Description:			
Auditor response:			



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