

Improve Internal Controls		Agency/Program #: 6901-06-G1
		Division: Business
		Program: Internal Control
Agency Name:	Department of Public Health and Human Services	
Agency Contact:	Laurie Lamson	444-2754
LFC Contact:	Senator Lewis, Senator Wanzenried	
LFD Liaison:	Marilyn Daumiller	444-5386
OBPP Liaison:	Pat Sullivan	444-1207

Program or Project Description:

Improve the department's internal control environment by continually working to maintain an effective fiscal control environment by completing an annual risk assessment of major financial processes and conducting mitigation activities on 100% of identified high risk components.

LFD staff about the blank appropriation below: FY2010 - managed by existing fiscal policy staff and bureau management within the division budget. FY 2011 - The legislature provided \$158,358 total funds for 2 FTE, contracted services, and computer hardware and equipment. In FY 2011 the division should have project management projections and expenditures.

Appropriation, Expenditure and Source					Approp & Expenditure numbers are as of September 30, 2009
Fund Name:	2010		2011		
	Approp.	Expended	Approp.	Expended	
General Fund			61,830		
State Special			23,994		
Federal Funds			72,534		
Total:	\$0	\$0	\$158,358	\$0	

Goal(s):

No goals were provided. LFD provides the following from the Governor's budget that was approved by the legislature with the appropriation for FY 2011 funding. (pg. B- 65 and B-68 & 69 in the LFD Fiscal Report.)

Enable continuous improvement in the DPHHS internal control environment by: 1) maintaining an internal control structure that promotes efficient and documented compliance with applicable laws and regulations; and 2) encouraging business processes that enhance the effectiveness and efficiency of department operations.

Performance Measures :

No performance measures were provided. The following performance criteria were approved by the legislature with the appropriation for FY 2011 as requested in the Governor's budget. (pg. B-65 and B-69 in the LFD Fiscal Report)

Measurements include: 1) Identification of major financial processes; 2) conduct risk assessment and mitigation process each year; 3) the objective is met when 100 percent of identified, major financial processes are assessed and mitigation activities are completed.

Report on major financial risk identified, mitigation activities and progress towards completion, and reflect major current or estimated expenses or cost savings.

	2011 Biennium Significant Milestones:	Completion Dates	
		Target	Actual
1	No milestones were provided by the division. The following milestones were provided in the Governor's budget request (pg. B-65 and B-69 in the LFD Fiscal Report.)		
	Identification of major financial processes at the beginning of FY 2011 biennium	FY 2010 & 2011	
2	Conduct risk assessment and mitigation process each year	On-going	
3	The objective is met when 100 percent of identified, major financial processes are assessed and mitigation activities are completed.		
4			
5			
6			

Performance Report:

- 1) The risk assessment baseline was completed as of June 30, 2009
 - a) A risk assessment model was developed using qualitative and quantitative information
 - b) 12 major business processes were evaluated
- 2) The SFY 2010 risk assessment cycle is underway
 - a) 34 significant business processes have been identified

LFD Narrative:

LFD Assessment: Further Report Needed

APPROPRIATIONS/EXPENDITURES PROVIDED - Not provided

PERFORMANCE MEASURES- None Provided

MILESTONES: - None Provided

PERFORMANCE REPORT: 1) The risk assessment baseline was completed as of June 30, 2009

- a) A risk assessment model was developed using qualitative and quantitative information
- b) 12 major business processes were evaluated

Recommendation: The workgroup may wish to know: 1) the results of the evaluation of the 12 major business processes that took place in FY 2009; 2) What is the overview of the model and what happens now?

- 2) The SFY 2010 risk assessment cycle is underway
 - a) 34 significant business processes have been identified

Recommendation: The workgroup may wish to know the priority of the 34 processes and how the division intends to carry the mitigation process forward.

Recommendation: This performance measure is well underway. The workgroup may wish to: 1) approve the LFD staff additions; 2) request a follow-up report at the LFC meeting in June, 2010.

Version	Date	Author
6901-06-G1 B -1	12/7/2009	Daumiller

Change Description
LFD Narrative Added