

Date: March 2, 2009

AGENDA ITEM 8

TO: MEMBERS OF THE AUDIT COMMITTEE

I. SUBJECT: Internal Audit Projects Report

II. PROGRAM: Internal Audit

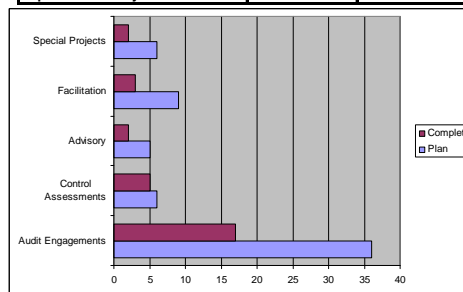
III. RECOMMENDATION: Information

IV. ANALYSIS:

As required by the Audit Committee and Internal Audit Activity charters and International Standards for the Professional Practice of Internal Auditing Performance Standard 2060, the Internal Audit department presents its Completed Projects Report. The following provides status of completed audit services and incident report summary data as of February 19, 2009. Attachment 2-1 provides status information by engagement or project.

Projects undertaken by Internal Audit include audit engagements, investigations, facilitation of examinations by external entities and State Fund's independent financial auditor, and value added services such as consulting and advisory engagements, special management projects, and monitoring progress of engagement recommendations.

| Service | Plan | Complete |
|---------------------|------|----------|
| Audit Engagements | 36 | 17 |
| Control Assessments | 6 | 5 |
| Advisory | 5 | 2 |
| Facilitation | 9 | 3 |
| Special Projects | 6 | 2 |



V. RESULTS/COSTS:

This is an informational item. Costs are related to the staff time required to compile, maintain, and produce information for the report.

LISA MIDDLETON, Senior Vice President Internal Affairs
BARBARA SIMMONS, Internal Audit Manager

Attachment

AUDIT COMMITTEE MEETING (OPEN)

AGENDA ITEM 8

ATTACHMENT 8-I

INTERNAL AUDIT PROJECTS REPORT

PRESENTED BY: Lisa Middleton, Senior Vice President Internal Affairs

March 12, 2009

INTERNAL AUDIT PROJECTS



Audit Committee
ATTACHMENT: 8-1 Open
March 12, 2009

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SERVICES COMPLETED

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A. AUDIT SERVICES

| Item | Plan Year | AUDIT TOPIC | STATUS |
|-------------|------------------|--|---------------|
| 1.1 | 2007 | PowerComp - New Business Quoting | Completed |
| 1.2 | 2007 | Injury Date of Knowledge | Completed |
| 1.3 | 2007 | Broker Commission | Completed |
| 1.4 | 2007 | California Whistleblower Protection Act Compliance | Completed |
| 1.6 | 2007 | Project Services Office | Completed |
| 1.7a | 2008 | Human Resources Operations – Performance Management and Succession | Completed |
| 1.7b | 2008 | Human Resources – Systems | Completed |
| 1.10 | 2008 | Information Security - Pleasanton | Completed |
| 1.11 | 2008 | Information Security - Oxnard | Completed |
| 1.12 | 2008 | Continuous - New Case Make-up | Completed |
| 1.13 | 2008 | Utilization Review | Completed |
| 1.14 | 2008 | Operational Claims Audit - Bakersfield | Completed |
| 1.15 | 2008 | Operational Claims Audit - Oxnard | Completed |
| 1.16 | 2008 | PowerComp - Renewal Process | Completed |
| 1.17 | 2008 | Bidding Process | Completed |
| 1.29 | 2008 | Capacity Planning & Monitoring | Completed |

B. CONTROL ASSESSMENTS

| Item | Plan Year | SERVICE TOPIC | STATUS |
|-------------|------------------|---|---------------|
| 2.1 | 2008 | Information Security | Completed |
| 2.2 | 2008 | Estimate and Indemnity - Central Valley North: Sacramento | Completed |
| 2.3 | 2008 | Estimate and Indemnity - Orange County | Completed |
| 2.4 | 2008 | Estimate and Indemnity - Central Valley North: Stockton | Completed |
| 2.5 | 2008 | Fiscal Security - Stockton District | Completed |

C. FACILITATION & ADVISORY

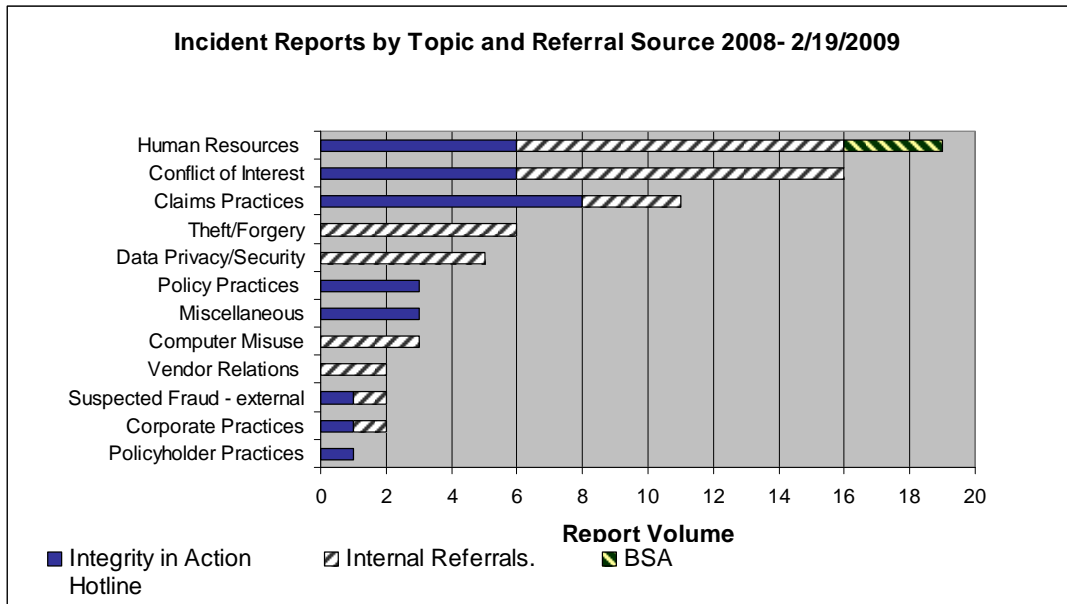
| Item | Plan Year | SERVICE TOPIC | STATUS |
|------|--------------|--|-----------|
| 3.1 | 2007 2008 | Advisory: Executive Decision Support System Project | Completed |
| 3.4 | 2007 2008 | Advisory: Office of Foreign Assets Control | Completed |
| 3.6 | 2007 | Facilitation: Department of Insurance Medical Payment Accuracy Study | Completed |
| 3.7 | 2008 | Facilitation: Department of Insurance Premium Tax Audit | Completed |
| 3.12 | 2008 | Facilitation: Independent Financial Audit 2007 FY | Completed |

D. SPECIAL PROJECTS

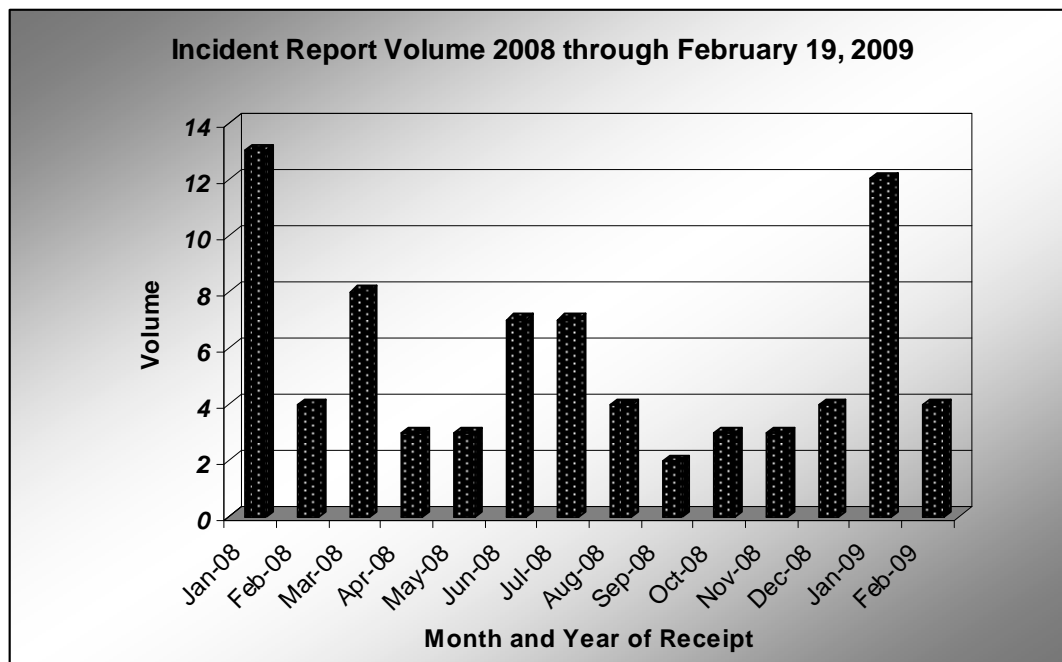
| Item | TOPIC | STATUS |
|------|--|-----------|
| 4.1 | Promotional Item Inventory | Completed |
| 4.4 | California Public Records Act - Internal Response Team | Completed |

E. INCIDENT REPORT SUMMARY DATA

1. Incident Reports received January 2008 through February 19, 2009, by Source and Topic



2. Incident Report volume by month of receipt January 2008 through February 19, 2009



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