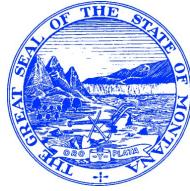


LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors:
Cindy Jorgenson
William Soller

MEMORANDUM

TO: Angus Maciver, Legislative Auditor
FROM: Alyssa Sorenson, Senior Management & Program Analyst
DATE: September 2021
RE: No performance audit of the State Print and Mail Facilities

The Legislative Audit Committee prioritized the topic of State Print and Mail (SPM) Facilities for a performance audit for fiscal year 2021. The Department of Administration's State Print and Mail Bureau fulfills this function for the state. After conducting audit assessment work, we determined a performance audit of this bureau is not warranted at this time. Our audit assessment work examined various risk areas, such management controls, resource allocation, legal requirements, and fraud risk. We determined overall the risk level was not significant enough to merit a performance audit. Below are some of the key reasons for this decision:

- **Process improvement mindset** – We found management in SPM continually look for ways to increase their capabilities and efficiencies. Management often personally works with customers to resolve issues. In interviews with stakeholders and subsequent follow up with the bureau, we found that steps were quickly taken after identifying inefficiencies in their processes. For example, they recently began requiring only one agency point of contact per job to decrease communication issues with agencies.
- **Positive customer impressions** – Customer impressions of the bureau are largely positive, with scores above 85% for all criteria measured by the department in their most recent survey. This meets or exceeds industry benchmarks. The bureau is improving operations to address many of the negative comments in the survey (such as improving job tracking and automating tickets).
- **Successful transition from agency to central printing** – Agencies that have recently moved services to SPM have been pleased with the service they have received. SPM has been able to better handle capacity and improve workflow for these agencies' printing and mailing needs. SPM is actively addressing challenges in the transition as they appear.
- **Regularly assesses cost efficiency of printing with private vendors** – SPM has demonstrated that they will procure services from external vendors when the vendor can perform the job more cost effectively. They have a standard process for procuring quotes and regularly solicit multiple bids for jobs.
- **Competitive pricing** - Prices for in-house services appear to be competitive with external vendors and other states' print shops. State Print and Mail already receives 60% of revenue from jobs through external vendors and any jobs that are kept in-house are cheaper to do in-house than externally. Thus, it is unlikely significant cost savings could be achieved by outsourcing more printing.

We did identify potential risk in security governance relating to security awareness and clarity of roles and responsibilities that are shared between State Information Technology Services Division (SITSD) and SPM. Each entity is involved in securing SPM operations to some degree; however, the scope of that involvement and how it fits in to an overall security program for SPM is not clear. This will be considered in the future as part of ongoing information systems audit work in the Department of Administration rather than as an audit of SPM, as this same issue has been identified in other DOA bureaus and attached agencies due to ambiguity of responsibility between the department entities and SITSD.

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