

**Summit County Department of Environmental
Services
4th Follow-up Audit Report**

**PREPARED FOR:
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Audit Committee**

**APPROVED BY AUDIT COMMITTEE
June 15, 2009**

**Summit County
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**Executive Office: Department of Environmental Services
Fourth Follow up Audit**

Auditor:

Lisa Skapura, Assistant Director; Anthony Boston, Internal Auditor; and Ben Franjesevic, Internal Auditor

Objective:

To determine if management has implemented their management action plans as stated in the previously issued Follow up Audit report.

Scope:

An overview and evaluation of policies, processes, and procedures implemented by the department/agency because of management actions stated in the management action plans during the Preliminary and Follow up Audit process.

Testing Procedures:

The following were the major audit steps performed:

1. Review the final Preliminary and Follow up Audit reports to gain an understanding of IAD issues, recommendations, and subsequent management action plans completed by the audited department/agency.
2. Review the work papers from the Preliminary and Follow up Audits.
3. Review any departmental/agency response documentation provided to IAD with management action plan responses following the Preliminary Audit and Follow up Audits.
4. Identify management actions through discussions/interviews with appropriate departmental personnel to gain an understanding of the updates/actions taken.
5. Review applicable support to evaluate management actions.
6. Determine implementation status of management action plans.
7. Complete the fourth Follow-up Audit report noting the status of previously noted management actions.

Summary

Of the eleven issues and the corresponding management action plans noted in the Third Follow up Audit Report, DOES fully implemented eight, partially implemented two, and there was one non-applicable.

IAD notes that significant improvement has occurred with the operational areas of the majority of the departments within DOES. In addition, considerable progress has been made in updating a substantial number of policies and procedures for this agency.

Based on the above noted information, IAD believes that DOES has made a positive effort towards implementing the revised management action plans as stated in the Third Follow-up Audit, and will not require further follow-up.

Executive Office: Department of Environmental Services
Fourth Follow up Audit
Comments

Listed below is a summary of the issues noted in the Follow up Audit Report, their status and updated Management Action Plan. Each issue number is in reference to the Preliminary Audit report:

Management Action Plans Fully Implemented:

- **Issue 8** - There are no approved, written policies and procedures for the billing and collections processes.

Fourth Follow up

Through observation, IAD confirmed that policies and procedures were created and disseminated to employees.

- **Issue 10** - No reconciliation of adjustments between the number (or dollar amount) of adjustments to customer bills in SSI and the forms that authorize those adjustments is performed.

Fourth Follow up

Through testing and observation, IAD confirmed that policies and procedures were created and disseminated to employees. Additionally, daily adjustment journals were obtained and a random sample selected verified that the amounts per the report agreed to the adjustment forms.

- **Issue 11** - Utility Billing Clerks that set up new customers determine the rate type that applies to the customer from the application. IAD noted during testing of billing data maintained in SSI that there is no master listing of account number prefixes used to indicate the customer's district and billing type (unmetered residential, metered residential, etc). The district and rate type codes have been memorized, therefore no reference lists are utilized by the Utility Billing Clerks that set up new accounts. The two clerks responsible for creating new accounts also use different methods to create the body of the account number.

Fourth Follow up

Through testing and observation, IAD confirmed that policies and procedures were created and disseminated to employees which included the creation of customer accounts, account number prefixes, billing districts, and customer classifications.

- **Issue 18** - The following exceptions were noted:
 - a) There was not a packing slip for two of 18 expenditures tested giving indication from the receiver that the items ordered were correctly received as ordered.
 - b) For one of the 18 expenditures tested, a receiving slip was located, however there was no signature by the person who received the order indicating that the order was complete and correct.

Fourth Follow up

Through observation, IAD confirmed that policies and procedures were created and disseminated to employees.

- **Issue 19** - The following were noted:
 - a) Upon review of the C10 Assessments, it was noted that there is no log/listing of C10's completed and maintained by the DOES. Because there was no log/listing, IAD was unable to ensure a complete population of C10 Assessments.
 - b) It was noted during testing that there is no reconciliation process performed by the DOES to ensure that the Fiscal Office entered all C10's onto the property tax bills.

Fourth Follow up

Through observation, IAD confirmed that policies and procedures were created and disseminated to employees for the handling of C10 assessments. Additionally, IAD confirmed that the final certification for FY2008 C10 assessment had been performed and that C10 assessments that are sent to the Fiscal Office are verified.

- **Issue 22** - All work schedules are not set by management/supervision for all pump station employees. Pump Station Operators and Pump Station Electricians/ Instrument Technician set their own work schedule or a portion of their own work schedule on a regular basis.

Fourth Follow up

Through discussion, approximately 75% of work is logged through the VUEWorks work order system. Additionally, upon observation of several VUEWorks screen shots, IAD was able to confirm that managers are logging work orders into the VUEWorks system.

- **Issue 23 & 24** - Pump Station Operators are to utilize pump station logs to enter the time in/out and to note what tasks were performed/completed. However, Operations Electricians/Technicians and Mechanics do not consistently utilize the logs at the pump stations to indicate time in/out, and work performed during the visits. Also, there are no management reconciliations/comparisons currently completed to ensure the times and activities entered into the pump station logs are in agreement to the timesheets that are also completed by the employees detailing their daily activities for cost accounting purposes.

Fourth Follow up

Upon observation, managers are opening and closing work orders in the VUEWorks work order system rather than auditing work order activity to daily timesheets.

Management Action Plans Partially Implemented:

- **Issue 1** - There are no documented internal procedures for a majority of DOES. It was noted however, that there were internal procedure manuals for the Laboratory, Safety, Water Contingency Plan, SCADA Alarm Manual, and Construction Inspection.

Fourth Follow up

IAD met with the Deputy Director-Administration, between 4/17/09 and 4/24/09, to gain an understanding of the status of the policies and procedures. Upon observation, the majority of the DOES-Administration policies and procedures have been disseminated to staff and sign-offs have been received or are in the process of being received. Additionally, the majority of the DOES-Engineering and DOES-Operations procedures are in draft form.

- **Issue 2** - The following revision date issues were noted:
 - a) The “Policies and Procedures Manual” for DOES are memorandums that have revision dates ranging from 1987 to 2000, with the majority of the updates being in the early 1990’s. The memorandums appear to be addressing specific issues that have occurred and are not directed at overall processes.
 - b) The “Construction Inspection Manual” was last revised in July 1990.
 - c) The DOES “Safety Policies” Manual contains emergency contact names of individuals who are no longer employed by DOES. Emergency evacuation procedures are present for the Broadway and Perkins Facilities that are no longer used by DOES, and there are no evacuation procedures for the Sweitzer Road facility. The last up date of these procedures was February 22, 2000, during the administration of the former County Executive.
 - d) There are no dates of revision on the Laboratory Standard Operating Procedures (SOP) sheets for chemical analyses and the SCADA Alarm Manual.

Fourth Follow up

IAD met with the Deputy Director-Administration, between 4/17/09 and 4/24/09, to gain an understanding of the status of Construction related manuals and policies and procedures regarding safety and lab operations. IAD noted the status of the following:

- a. *The Safety Policies and Procedures are approved and have been disseminated to staff for sign-off.*
- b. *The Construction Standards Manual remains in draft form*
- c. *The Laboratory Operating Procedures remain in draft form.*
- d. *A Construction Inspection manual has not been created to reference the numerous external procedures followed.*

Management Action Plans Not Applicable:

- **Issue 3** - The “Public Project Manual” which addresses requirements for projects performed by outside entities is in draft form.

Fourth Follow up

The Public Projects Manual emphasis changed to Construction Standards Manual and Design Standards Manual, which is noted in Issue 2 above.

Fourth Security Follow-Up:

Security follow-up issues noted during fieldwork are addressed under separate cover in the accompanying report in compliance with Ohio Revised Code §149.433.