Summit County Executive's Office
Human Resource Department
1st Follow up Audit Report

Prepared For:

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Audit Committee

Approved by Audit Committee
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Summit County Executive's Office
Human Resource Department
1st Follow-up Audit

Auditors:

Lisa Skapura, Assistant Director; Meredith Merry, Internal Auditor; and Benjamin Franjesevic, Internal Auditor.

Objectives and Methodology:

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

We conducted this follow up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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 report 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 Audit.
3. Review any departmental/agency response documentation provided to IAD with management action plan responses following the Preliminary Audit.
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 first Follow up Audit report noting the status of previously noted management actions.

Summary:

Of the ten issues/observations and the corresponding management action plans noted in the Preliminary Audit Report which required follow-up, the Summit County Executive's Office Human Resource Department fully implemented one, partially implemented seven, and one issue was not implemented.

Based on the above noted information, IAD believes that the Human Resource Department has made some progress towards the implementation of their corrective management action plans; however, additional work is needed to fully implement the management action plans as stated in response to the

issues identified during the preliminary audit. Internal Audit will conduct another follow-up audit to confirm implementation.

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

<u>Management Action Plans Fully Implemented</u>:

- **Observation 6**- Upon review of the NeoGov system as well as discussion with the Deputy Director of the HRD, IAD noted that access to scanned documents, which may contain confidential information, is not restricted.

  Upon review of the NeoGov policy and procedure manual, discussion with the Deputy Director, and observation of applicant files in NeoGov, IAD confirmed that confidential information is restricted.
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<u>Management Action Plans Partially Implemented</u>:

- **Issue 2**- Upon discussion with the Administrative Assistant, it was noted that the same person places orders, receives the goods ordered and receives vendor invoices causing an improper segregation of duties.

  On 11/29/10, IAD met with the Deputy Director and Executive Assistant to confirm that the process has changed so that the Executive Assistant receives all goods/services. However, per discussion with the Deputy Director, IAD was informed that policy and procedure updates are pending approval of Codified Ordinance 169, which is to be approved during the first quarter of 2011. Therefore, IAD deems this management action plan partially implemented.

- **Issue 3**- Upon review of seventy employee personnel files selected for detailed testing, IAD noted the following:

    a. Thirty-two out of seventy personnel files did not contain a Policy and Procedure manual sign-off,
    b. Five out of twenty-one applicable personnel files did not contain a Declaration of Material Assistance form (the sample size was reduced because the form is only required for employees hired after 4/16/06),
    c. Six out of thirty applicable personnel files did not contain a Form SSA-1945 (the sample size was reduced because the form is only required for employees hired after 1/1/05),
    d. Six out of seventy personnel files did not have confidential information segregated.

  On 11/29/10, IAD met with the Executive Assistant, and tested five personnel files for the presence of a Declaration of Material Assistance form, an SSA-1945 form, and to confirm that confidential information was segregated. IAD noted 2 out of 5 instances where the Declaration of Material Assistance form was not present in the personnel file. Therefore, IAD deems this management action plan partially implemented.

- **Issue 4**- Upon review of the EEO files, there were several instances where IAD was not able to determine the status of the allegations; therefore, making it difficult to determine if the allegations became formal complaints, were still pending, or were dismissed because the allegation did not pertain to discrimination.

  On 11/22/10, IAD met with the EEO Compliance Officer to review EEO files. IAD noted that each file contained a memo stating the status of the file (e.g., closed, open, pending, etc.). Additionally, upon discussion with the Deputy Director, policy and procedure updates are pending approval of Codified Ordinance 169, which is scheduled to be approved during the first quarter of 2011. Therefore, IAD deems this management action plan partially implemented.

- **Observation 1**- Upon discussion with the Deputy Director of HRD, IAD noted that a policy and procedure manual for the hiring process regarding the NeoGov system does not exist. IAD recognizes that hiring policy is established by Codified Ordinance 169; however, this does not address hiring procedures related to NeoGov including, but not limited to:

  a. General NeoGov hiring process,
  b. Making/reviewing overrides,
  c. Comparison of requisitions to the Staffing Report spreadsheet,
  d. User addition/removal procedures.

  On 11/19/10, IAD attended a NeoGov training meeting and obtained an unapproved draft copy of the County of Summit On-line Hiring System Procedure and Instruction Manual which functions as both a policy and procedure manual as well as a training manual for the NeoGov system. Upon review of the manual, IAD noted that it addressed the NeoGov hiring process and user rights; however, it did not address overrides or Staffing Report procedures. Upon discussion with the Deputy Director of HRD, IAD was informed that the manual is still in the process of being drafted and will hopefully be completed prior to December 3, 2010. Therefore, IAD deems this management action plan partially implemented.

- **Observation 2**- Upon review of the NeoGov training manual, IAD noted several discrepancies between steps in the manual and the actual NeoGov system.

  On 11/19/10, IAD attended a NeoGov training meeting and obtained an unapproved draft copy of the County of Summit On-line Hiring System Procedure and Instruction Manual which functions as both a policy and procedure manual as well as a training manual for the NeoGov system. Upon review of the manual, IAD noted that it contains detailed steps specific to Summit County regarding the operation of portions of NeoGov; however, IAD noted that the later part of the process is only addressed at a high level. Upon discussion with the Deputy Director of HRD, IAD was informed that the manual is still in the process of being drafted and will hopefully be completed prior to December 3, 2010. Therefore, IAD deems this management action plan partially implemented.

- **Observation 3**- Upon discussion with the Deputy Director of HRD, IAD noted that the addition/removal of users as well as permission changes are initiated verbally.

  On 11/19/10, IAD attended a NeoGov training meeting and obtained an unapproved draft copy of the County of Summit On-line Hiring System Procedure and Instruction Manual which functions as both a policy and procedure manual as well as a training manual for the NeoGov system. Upon review of

the manual, IAD noted that it contained procedures regarding the assignment of user rights. Additionally, at the meeting, IAD noted forms being distributed for NeoGov user access permissions. IAD obtained a Human Resource User Roster report and a Department User Roster report, which list all HR and departmental users for NeoGov, from the Deputy Director of HRD, on 11/24/10. IAD then selected a sample of 5 HR users and 5 department users and tested that a user access form containing the appropriate approvals was maintained for each user. IAD noted no HR users that did not have user access request forms and 4 out of 5 department users who did not have user access request forms. Therefore, IAD deems this management action plan partially implemented.

- **Observation 4**- Upon discussion with the Deputy Director of HRD, IAD noted that a process is currently not in place for the comparison of personnel requisitions to the annual Staffing Report adopted by Council.

  On 11/24/10, IAD spoke with the Deputy Director of HRD and discussed the current process in place regarding the comparison of personnel requisitions to the Staffing Report adopted by County Council. Per the Deputy Director, the department has begun to implement the staffing report position number into the NeoGov system; however, the Deputy Director indicated that problems have occurred as a result of the way that position numbers are currently composed (e.g. under-hiring by hiring a Project Manager to fill a vacant Assistant Director position). The Deputy Director informed IAD that, beginning in 2011, each position will have its own unique position number to address these problems. This unique number will then be included in the "To:" field in NeoGov when a requisition is being created. Additionally, the staffing report will be maintained in the "My Links" section of NeoGov for review and will be updated on a biweekly basis. IAD noted that this was discussed during the NeoGov training meeting held on 11/19/10 and is also addressed in the unapproved draft copy of the County of Summit On-line Hiring System Procedure and Instruction Manual. Therefore, IAD deems this management action plan partially implemented.

<u>Management Action Plans Not Implemented</u>:

- **Issue 1**- The Executive HRD does not have formal written policies and procedures for many administrative processes and day-to-day functions of the department (e.g., expenditures/procurement, Form I-9, etc.). Additionally, there are several policies and procedures that require updating (e.g., incorporating a personnel file checklist into the personnel file policy). Therefore, the HRD is not able to ensure that the administrative processes/work flows are being followed consistently, appropriately, or in accordance with policies.

  On 11/22/10, IAD met with the Deputy Director and was informed that all policies and procedures are pending approval of Codified Ordinance 169, which is to be approved during the first quarter of 2011. Therefore, IAD deems this management action plan not implemented.

- **Observation 5**- Upon discussion with the Deputy Director of HRD as well as observation of the NeoGov "Password Preferences" screen, IAD noted that there is currently no password policy in place for the NeoGov system.

  On 11/22/10, IAD met with the Deputy Director of HRD and was informed that NeoGov had instituted some new password features such as password hints; however, these new password features did not appear to address security. Additionally, the Deputy Director indicated that a password policy regarding password complexity, regular password changes, and user lockout had not been implemented nor have users been required to change their passwords. The Deputy Director informed

IAD that this was due to HRD still working out bugs in the system. IAD obtained a screen print of the NeoGov password settings from the Deputy Director to verify that a password policy had not been instituted and that new password features implemented by NeoGov did not address security. Therefore, IAD deems this management action plan not implemented.