

**Summit County Executive Office  
Department of Law  
Preliminary Audit Report**

**PREPARED FOR:**

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Audit Committee**

**Approved by Audit Committee  
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Background and Objectives**

**GENERAL BACKGROUND**

The Department of Law (Law Department) handles legal matters for the Executive's Office while monitoring litigation involving county government. Staff lawyers also offer legal advice to all departments under the Executive's Office, review and draft contracts and legislation on behalf of county government. The department employs six attorneys, including the Director, one paralegal and an executive assistant. Each attorney specializes in specific facets of governmental, employment and fiscal law. The department also oversees the Criminal Justice Affairs Division and the Emergency Management Agency.

**AUDIT OBJECTIVES AND METHODOLOGY**

The primary focus of this review was to provide the Summit County Executive Office Department of Law with reasonable assurance, based on the testing performed, on the adequacy of the system of management control currently in effect for the audit areas. Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance. Management is responsible for establishing and maintaining effective controls that, in general, include the plan of organization, as well as methods, and procedures to ensure that goals are met. Specific audit objectives include evaluating the policies, procedures, and internal controls related to the Law Department.

We conducted this performance 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.

Based on the results of our review, we prepared specific issues and recommendations for improvement that were discussed with management. These recommendations, as well as management's unaltered written response, can be found in the following sections of this report.

**Specific Objectives:**

1. To obtain and review the current policies and procedures.
2. To review the internal control structure through employee interviews and observation.
3. To perform a general overview of the physical environment and security of the facilities, data, records and departmental personnel (covered in a separate report in compliance with O.R.C. §149.433).

Source: <http://www.co.summit.oh.us/executive/law.htm>

**Summit County Executive Office  
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Scope**

**Scope**

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by each department.

The following were the major audit steps performed:

**OBJECTIVE 1 – POLICY AND PROCEDURES REVIEW**

1. Obtain and review the current policies and procedures.
2. Meet with the appropriate personnel to obtain an understanding of the current department processes and procedures. Compare those existing processes to the policies and procedures manual for consistency, noting all exceptions.
3. Test procedures for mandatory compliance where applicable.
4. Identify audit issues and make recommendations where appropriate.

**OBJECTIVE 2 – REVIEW OF INTERNAL CONTROLS**

5. Meet with the appropriate personnel to obtain an understanding of the control environment.
6. Document the existing control procedures in narratives and/or flowcharts.
7. Compare existing processes to the policies and procedures manual for consistency.
8. Test procedures for compliance where applicable, noting all exceptions.
9. Investigate discrepancies and summarize results.
10. Make recommendations where appropriate.

**4. OBJECTIVE 3 – REVIEW OF SECURITY (covered in a separate report in compliance with O.R.C. §149.433).**

11. Perform a general overview of the physical environment and security of the department/ agency being audited.
12. Interview various personnel to determine that confidential information is secure and processed only by appropriate parties.
13. Obtain and review the document retention policy and determine if policies and procedures are currently in place and being followed.
14. Test security issues where appropriate.
15. Analyze current policies and make recommendations.

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Detailed Comments**

**Interviews:**

To gain an understanding of the Law Department, IAD interviewed the following positions throughout the organization:

- a. Director of Law,
- b. Executive Assistant 1,
- c. Paralegal,
- d. Attorney 2,
- e. Staff Attorney 1,
- f. Deputy Director Labor Relations.

Any issues noted are addressed in the respective sections of the report.

**I. Policies & Procedures Review:**

IAD obtained and reviewed, from the Director of Law, the Policies and Procedures Manual for the Law Department, effective January 1, 2010, and tested for existence of a signed acknowledgement of receipt by all Law Department staff.

No issues were noted during testing.

**II. Internal Control Testing:**

Internal control testing and/or observations were performed in the following areas:

- o Expenditures,
- o Personnel files,
- o Continuing legal education,
- o Contracts & Leases,
- o Records Retention.

**EXPENDITURES**

IAD obtained and reviewed the Policies and Procedures Manual for the Law Department to gain an understanding of the procedures for the expenditures process. An interview was performed, utilizing a standard internal control questionnaire, with the Executive Assistant 1 to gain a further understanding of the expenditure process, which was then documented in a flowchart. In addition, the following documents were obtained and reviewed:

- a. ORC § 5705.41(D) (2), Restriction upon appropriation and expenditure of money - certificate of fiscal officer,
- b. Summit County Codified Ordinance § 177.23 Purchases not Exceeding \$1, 000,
- c. Summit County Expenditure flowchart, which shows approval thresholds for Board of Control, County Council, and the IT Board as derived from the Summit County Codified Ordinances.

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IAD utilized Banner to generate a listing of all Law Department expenditures from 1/1/2009 to 4/12/10, and judgmentally selected a sample of ten expenditures greater than \$500 and three expenditures less than \$500 and performed detailed testing.

The following issue was noted during testing:

1. Issue:

Upon discussion with the Executive Assistant 1 and detailed expenditure testing, IAD noted that though a proper segregation of duties exists for the procurement of goods and services, there is an improper segregation of duties for the procurement of office supplies. A single employee is responsible for the ordering and receiving of office supplies as well as approving office supply invoices to be paid.

Recommendation:

IAD recommends that the Law Department reassign job functions in the office supply procurement process so that a single employee is not responsible for both the ordering and receiving of office supplies. This will help to prevent the misappropriation of County resources as well as to ensure a proper segregation of duties.

Management Action Plan:

A third individual will receipt the goods when supplies are received.

PERSONNEL FILES

IAD passes on personnel file testing for the Executive Office Law Department due to the fact that personnel files for the Executive Office as a whole were tested during the Executive Office Human Resource Department Audit.

CONTINUING LEGAL EDUCATION (CLE)

IAD obtained and reviewed the Policies and Procedures Manual for the Law Department to gain an understanding of the policies and procedures in place for CLE. A FAQ from the Supreme Court of Ohio was obtained and reviewed to determine minimum CLE requirements and CLE reporting periods. CLE documentation for all Law Department attorneys was obtained from the Executive Assistant 1, and tested to confirm that the attorneys met minimum requirements and reported during the appropriate reporting period.

No issues were noted during testing.

CONTRACTS & LEASES

IAD obtained and reviewed the Policies and Procedures Manual for the Law Department to gain an understanding of contract and lease policies and procedures. IAD met with the Executive Assistant 2 of the County Executive's Department, to gain an understanding of the contract approval process, and to confirm that the procedures in the policies and procedures manual are followed.

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The Executive Assistant 2 provided IAD with a contract log sheet for 2009 and 2010 that is utilized to track contract reviews and approvals. IAD judgmentally selected 50 contracts (43 contracts from 2009 and 7 contracts from 2010) that had a beginning date between 1/1/09 to 2/28/10 and tested by reviewing the contracts to ensure that the contract was approved as to form and signed by the County Executive.

IAD obtained and reviewed a lease index listing from the Executive Assistant 2 to gain an understanding of all County leases (including the respective landlord, tenant, begin and end date of the lease, options to renew, and comments). IAD then selected all leases with a beginning date between 1/1/09 to 2/28/10 and tested to ensure that the lease was approved as to form and signed by the County Executive.

No issues were noted during testing.

**RECORDS RETENTION**

IAD obtained and reviewed the County of Summit Records Commission Rules for Retention and Disposal of County Records, effective January 1, 2009, to gain an understanding of rules including Records Management, Retention and Disposal Schedules, Electronic Records, etc.

IAD obtained and reviewed the following Records Commission meeting minutes to gain an understanding of business discussed regarding records:

- a. January 29, 2009,
- b. July 29, 2009,
- c. January 27, 2010.

House Bill 9 was reviewed to gain an understanding of the requirements that local records commissions have to the Ohio Historical Society. In addition, the "Public Record Request Policy County of Summit Executive's Office" effective September 29, 2007, was reviewed to gain an understanding of the policy.

IAD obtained and reviewed a countywide organizational chart from the 2010 County of Summit Operating Budget to gain an understanding of all of the countywide departments, boards, agencies and commissions that make up county government, and confirmed with the Paralegal that they all should have a RC-2 on file (with the exception of the Courts who are governed by the Rules of Superintendence for the Courts of Ohio). IAD then performed testing to ensure that a current RC-2 was on file for all applicable Summit County governmental entities. (IAD deemed current as having the RC-2 signed by the Auditor of State within the last five years).

No issues were noted during testing.

**III. Security:**

Security issues noted during fieldwork are addressed under separate cover in the accompanying report in compliance with O.R.C. §149.433.