

**Summit County Executive Office**  
*Department of Law, Insurance and Risk Management*  
*Public Safety Division*  
**Performance Audit General Report**

**Prepared for:**

**Russell M. Pry**  
**Audit Committee**

**Approved by Audit Committee**  
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**EXECUTIVE SUMMARY**

**Total Number of Issues –10**

**Policies and Procedures**

*Weaknesses:*

Section	# Issues	Issue Descriptions	Page Ref.
Policies and Procedures	2	<ul style="list-style-type: none"> <li>• No evidence of management approval; Insufficient employee acknowledgment of review/receipt</li> <li>• No written policy over the 800MHz billing system</li> </ul>	7

**Internal Controls**

*Strong Internal Controls:*

Testing Section	# Issues	Issue Description	Page Ref.
Purchasing	0	N/A	9
Payroll			10
Fringe Benefits			11
ORC Compliance			12
P-card			13

*Weaknesses in Internal Controls:*

Testing Section	# Issues	Issue Descriptions	Page Ref.
Revenue	3	<ul style="list-style-type: none"> <li>• Improper segregation of duties over 800 MHz billing</li> <li>• Untimely deposit of 800 MHz funds</li> <li>• Unable to verify lease revenue</li> </ul>	8
Expenditures	1	<ul style="list-style-type: none"> <li>• Improper segregation of duties over order/receiving functions</li> </ul>	10
Grants	3	<ul style="list-style-type: none"> <li>• Inventory report did not contain percentage of federal cost</li> <li>• Quotes not obtained for purchases (2 grants/issues)</li> </ul>	11
Personnel Files	1	<ul style="list-style-type: none"> <li>• Four (4) instances where an employee performance evaluation was not completed</li> </ul>	12

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## **GENERAL BACKGROUND**

The Department of Public Safety's (Public Safety) primary mission is to develop and coordinate efforts to deliver programs to the communities; ultimately enhancing the safety and well-being of all citizens throughout Summit County.

Public Safety is made up of Emergency Management and Justice Affairs divisions.

### Emergency Management Agency (EMA)

The County of Summit EMA leads, coordinates, and supports the emergency management system in order to protect the lives and prevent the loss of property from all hazards.

The primary responsibility of the EMA is to provide professional mitigation, preparedness, response, and recovery services that save lives, reduce injuries and economic loss, and enhance recovery from disasters. On a day-to-day basis, the EMA has the responsibility to:

- Coordinate the County 9-1-1 System
- Provide administration for the County Special Operations Response Teams
- Continue development of the County Emergency Operations Plan
- Identify mitigation activities that lessen the effects of disaster on people and property
- Exercise plans using a variety of hazards and scenarios
- Train responders, volunteers, elected officials, nursing homes, school personnel or anyone charged with responsibility before, during and after a disaster
- Coordinate response and recovery activities during an emergency or disaster, either as a member of the on-site incident command team or from a central location called an Emergency Operations Center (EOC)
- Locate, monitor and manage emergency resources
- Educate the public about actions to take before a disaster occurs, disseminate warnings and other critical information during a disaster and release information about recovery activities after a disaster

In Summit County, under the discretion of the County Executive, the EMA has established a written contract with each city, village and township within the county. The Emergency Management Agreement establishes the Emergency Management Executive Committee, which sets the goals for the EMA. The agreement assigns the duties and provides funding for emergency management activities.

### Justice Affairs

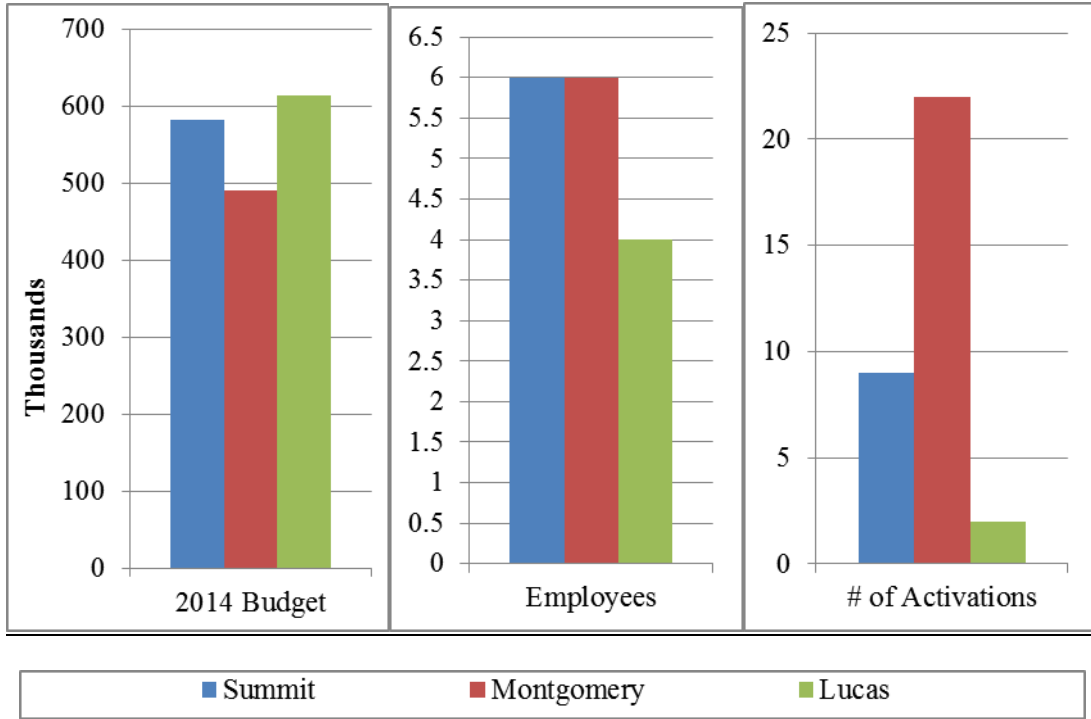
Justice Affairs operates on behalf of the County Executive to coordinate and enhance the overall operation of the justice system in Summit County, resulting in efficient and cost effective services for its residents through:

- Facilitating dialog, sharing information and coordinating efforts between various system stakeholders
- Conducting research and analysis of current justice models
- Performing comprehensive planning
- Developing and implementing justice system and public safety initiatives and policies
- Obtaining resources and funding opportunities through grant management
- Heightened use of technology providing training and technical assistance to justice systems, agencies, organizations and individuals
- Maintaining community relations and public awareness

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The Public Safety Department consist of eight (8) full-time employees (0.2% of Summit County employment) comprising of three (3) Senior Administrators, two (2) Emergency Management Specialists, two (2) Grant Program Analysts, and an Administrative Secretary.

IAD compared Summit County’s EMA function (i.e., 2014 operating budget, staffing levels, and activations) to the EMA functions from comparably populated counties – Montgomery and Lucas. The comparisons are represented in the graphs below:



**AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY**

The primary focus of this review was to provide Public Safety 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 Public Safety.

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.

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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.

**Objectives:**

- To obtain and review the current policies and procedures.
- To review the internal control structure through employee interviews and observations.
- To perform a general overview of the physical environment and security of the facilities, data, records and departmental personnel.

**Scope:**

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by the Department of Public Safety from December 1, 2013 through November 30, 2014.

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. Obtain and review the document retention policy and determine if policies and procedures are currently in place and being followed.
4. Test procedures for mandatory compliance where applicable.
5. Identify audit issues and make recommendations where appropriate.

**OBJECTIVE 2 – REVIEW OF INTERNAL CONTROLS**

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

**OBJECTIVE 3 – REVIEW OF SECURITY (covered in a separate report in compliance with ORC §149.433).**

1. Perform a general overview of the physical environment and security of the department/agency being audited.
2. Interview various personnel to determine that confidential information is secure and processed only by appropriate parties.
3. Test security issues where appropriate.
4. Analyze current policies and make recommendations.

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**DETAILED COMMENTS**

Interviews:

To gain an understanding of the Department of Public Safety, IAD performed interviews with the following positions:

- Senior Administrator (3)
- Grant Program Analyst (2)
- Emergency Management Specialist I (2)
- Administrative Assistant (1)

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

**I. Policy and Procedures Review:**

Public Safety's policies and procedures were reviewed for each of the applicable testing sections within the audit for accuracy and completeness and compared to current processes for consistency. In addition, Public Safety's Records Retention Schedule (RC-2) was reviewed for completeness and compared to processes throughout the audit to ensure that the schedule contained all relevant documents.

The following issues were noted:

1. Issue:

Upon review of Public Safety's policies & procedures manual for completeness and accuracy, IAD noted the manual has not been formally approved by management. Additionally, IAD noted five (5) out of eight (8) Public Safety employees did not sign-off acknowledging receipt and review of the manual.

Recommendation:

IAD recommends that all policies and procedures be updated or reviewed with management approval and employee receipt and acknowledgement of policies and procedures be documented.

Corrective Action Taken Prior to the End of Fieldwork:

On 1/26/15, IAD obtained management approval of the Policy and Procedure Manual and all employees' policy and procedure sign-offs.

Management Action Plan:

The Policy Manual for the Division of Public Safety can be accessed on the shared drive (g:) by all employees. It shall be maintained by the Senior Administrator(s) and updated as necessary. All updates will be approved by the Law Director and reviewed and acknowledged by staff. Acknowledgements will be in writing and kept in the individual employee informational files in the Division of Public Safety. Senior Administrator(s) shall review the entire Manual annually for any additional updates.

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2. Issue:

Upon review of Public Safety's policies and procedures, no written or insufficient policies and procedures were noted for the 800MHz radio system billing process.

Recommendation:

IAD recommends that Public Safety create/update, approve, and disseminate written policies and procedures for all functional areas within the agency. This will help to ensure that proper procedures are being consistently followed within the department.

Corrective Action Taken Prior to the End of Fieldwork:

On 1/29/15, IAD obtained the written policy over 800 MHz radio system billing process.

Management Action Plan:

Division of Public Safety personnel will continue to follow the policies and procedures established to address 800MHz Radio System billing, which includes, but is not limited to *Pay Ins* and *SCA8RRS User Invoicing*.

**II. Internal Control Testing:**

Risk-based internal control testing and/or observations were performed in the following areas:

- Revenue
- Purchasing
- Expenditures
- Payroll
- Fringe Benefits
- Grants
- ORC Compliance
- Personnel Files
- Procurement Card

REVENUE

Public Safety's policies and procedures and applicable ORC sections were reviewed, an observation was performed, staff interviews were conducted, and flowcharts were created and approved to gain an understanding of the revenue processes, the laws and regulations that govern it, and internal controls in place.

A sample of incident cost reports and 800 MHz bills was judgmentally selected for detail testing to ensure proper segregation of duties, appropriate recording into the respective accounting system, and timeliness and accuracy of the deposit. Additionally, IAD obtained the Crown Communications lease agreement and reviewed it to ensure the correct revenue was received and deposited into Banner.

The following issues were noted:



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3. Issue:

Upon discussions with Public Safety personnel, IAD noted the invoicing and collection functions for the 800 MHz user fee billing are performed by the same individual, creating an improper segregation of duties.

Recommendation:

IAD recommends that the distribution of invoices and collection of payments be assigned to separate individuals, with designated backups, so that no one person is responsible for both functions. This will help to ensure a proper segregation of duties over the billing function.

Corrective Action Taken Prior to the End of Fieldwork:

On 1/29/15, IAD obtained the written draft policy over the invoicing and collection processes and noted proper segregation of duties.

Management Action Plan:

Written policy was approved and adopted. Division of Public Safety personnel will continue to follow the policies and procedures established to address 800MHz Radio System billing, which includes, but is not limited to *Pay Ins* and *SCA8RRS User Invoicing*.

4. Issue:

Upon detail testing of the 800 MHz User Fee Billing, IAD noted sixty-seven (67) out of seventy-six (76) instances where receipts were not timely deposited, in accordance with ORC §9.38.

Recommendation:

IAD recommends that all monies receipted be deposited timely, in accordance with ORC §9.38. This will help to ensure compliance with applicable legislation.

Management Action Plan:

A written policy which addresses timeliness of pay-ins generally was approved and adopted Division of Public Safety personnel will continue to follow the policies and procedures established to address 800MHz Radio System billing, which includes, but is not limited to *Pay Ins* and *SCA8RRS User Invoicing*.

5. Issue:

Upon discussion with Public Safety personnel and review of the Crown Castle lease agreements, IAD was unable to verify sublease revenue, as sufficient documentation was not able to be provided (i.e., sublease agreements).

Recommendation:

IAD recommends that Public Safety obtain and review all sublease agreements to ensure the accuracy of revenue received from Crown Castle. This will help to ensure proper receipt of revenue and compliance with contractual terms.

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Management Action Plan:

The Division of Public Safety receives a base payment and two revenue payments as a result of subleases from Crown Castle. The base rate from Crown Castle has been confirmed through the original lease agreement with Summit County. However, Justice Affairs Senior Administrator has made several attempts to obtain the two sublease agreements from Crown Castle. Crown Castle representatives have stated that these subleases contain proprietary information and have not been forthcoming with the documents. JA/Senior Administrator continues to request the information in a form that will satisfy the requests of Internal Audit, while maintaining the integrity of the sublease information. NOTE: From the time that the Office of Finance and Budget requested that Public Safety oversee the payments, the payments have been consistent with the understood terms of the subleases.

PURCHASING

Public Safety's policies and procedures were reviewed, interviews were conducted and flowcharts were created and approved to gain an understanding of the purchasing process. Samples of purchase order requisitions, purchase orders and purchase order change orders were judgmentally selected and detail testing was performed to test for proper documentation and approvals. Additionally, Banner purchasing and procurement permissions were reviewed for reasonableness.

The following general recommendation was noted:

General Recommendation:

Upon testing of permissions for Public Safety org codes in Banner, IAD noted two (2) employees with the ability to create and approve requisitions in Banner. This provides an opportunity for a user to approve a requisition that he/she entered in Banner, creating an improper segregation of duties; however; during detail testing, IAD noted this did not occur and a proper segregation of duties is being exercised. IAD recommends that management assess the need for these permissions and contact the Fiscal Office with any changes.

No issues noted.

EXPENDITURES

Public Safety's policies and procedures and applicable ORC sections were reviewed, staff interviews were conducted and flowcharts were created and approved to gain an understanding of the expenditure cycle, the laws and regulations that govern it, and internal controls in place. A sample of expenditures was judgmentally selected and detail expenditure testing was performed to verify that funds do not remain encumbered on prior year purchase orders, proper approval and authorizations are in place, funds were encumbered prior to incurring the expense, and the appropriate vendor and amount were paid.

Banner User and Banner Class Form reports were obtained and reviewed to gain an understanding of employee permissions and detail testing was performed to assess reasonableness and proper segregation of duties.

The following issue was noted:

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6. Issue:

Upon discussion with Public Safety personnel and review of the process flow charts, IAD noted several employees responsible for ordering and receiving supplies within the department, creating an improper segregation of duties. In addition, upon review of the expenditures policy, IAD noted that the policy provides for an improper segregation of duties with the ordering/receiving functions.

Recommendation

IAD recommends that Public Safety assign the ordering and receiving functions to separate individuals and designate back up employees so that no one person is responsible for both functions. In addition, IAD recommends that Public Safety adjust their policy accordingly. This will provide an appropriate segregation of duties and help to ensure proper control over and safeguarding of assets.

Corrective Action Taken Prior to End of Fieldwork:

IAD obtained the updated draft policy and confirmed the policy provides for a proper segregation of duties with the ordering/receiving functions.

Management Action Plan:

Written policy was approved and adopted. Division of Public Safety personnel will continue to follow the policies and procedures established to address this issue.

PAYROLL

An interview was conducted to gain an understanding of the payroll process. A payroll approval report was generated and detail testing was performed to confirm appropriate authorizations and proper segregation of duties. Employee compensatory time card adjustment forms and overtime sheets were reconciled to Kronos to ensure accuracy.

No issues noted.

FRINGE BENEFITS

Detail testing of the following areas was performed, if applicable, to confirm that Public Safety is properly processing fringe benefits in accordance with IRS tax code:

- Travel and meals reimbursement
- Cash incentives, awards, gift awards and/or bonuses
- County paid life insurance policies over \$50,000
- Uniforms and clothing allowances
- Employment contracts
- Agency vehicle usage
- Allowances for firearms or tasers and/or any other non-lethal weapon
- Tuition assistance and reimbursement
- Subcontracted employees
- Domestic partner health insurance benefits

No issues noted.

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GRANTS

An interview was conducted to gain an understanding of the grants process. A sample of grants was haphazardly selected, grant documents were reviewed and attributes were selected for detail testing to ensure compliance with the terms of the grant agreements. Banner transaction reports were reviewed to ensure the proper amount was received and the funds were deposited into the correct account.

The following issues were noted:

7. Issue:

Upon detail testing of the FY13 State Homeland Security Search and Rescue (SAR) grant agreement and discussion with Public Safety personnel, IAD noted one (1) out of one (1) instance where the percentage of federal participation in the cost of the property was not included on the inventory listing sheet.

Recommendation:

IAD recommends that the Department of Public Safety ensure that the asset inventory listing is updated to include the percentage of federal participation for the assets that were purchased with the grant funds. This will help to ensure compliance with the grant agreement.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained an updated Master Inventory Listing and confirmed that the percentage of federal participation for the assets that were purchased with the grant funds was included on the spreadsheet.

Management Action Plan:

The inventory control sheet contains a line item to identify the percentage of federal participation for each asset. Division of Public Safety staff assigned to asset management shall continue to fully complete this spreadsheet upon acquisition of new equipment, to include percentage of federal participation.

8. Issue:

Upon detail testing of the FY13 Emergency Management Performance Grant (EMPG) agreement and discussion with Public Safety personnel, IAD noted six (6) out of six (6) instances where at least (3) quotes were not obtained, in accordance with Code of Federal Regulation 44 §13.36.

Recommendation:

IAD recommends that the Department of Public Safety ensure that purchases are in compliance with procurement requirements. This will help to ensure compliance with the grant agreement.

Management Action Plan:

Division of Public Safety personnel will provide quotes for all items, as required under the grant guidance, specifically C.F.R. 44§ 13.36.

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9. Issue:

Upon detail testing of the FY13 Law Enforcement State Homeland Security grant agreement and discussion with Public Safety personnel, IAD noted six (6) out of eight (8) instances where at least (3) quotes were not obtained, in accordance with Code of Federal Regulation 44 §13.36.

Recommendation:

IAD recommends that the Department of Public Safety ensure that purchases are in compliance with procurement requirements. This will help to ensure compliance with the grant agreement.

Management Action Plan:

Division of Public Safety personnel will provide quotes for all items, as required under the grant guidance, specifically C.F.R. 44§ 13.36.

NOTE:

Three (3) instances were for ELSAG North America for license plate reader maintenance agreements. We purchased approximately 78 license plate readers with LE-SHSP funding for law enforcement agencies throughout Region 5 (13 counties in Ohio). Maintenance agreement information was included with the quote, but not considered, as we were not able to purchase the warranty at the time because it fell outside of the grant period. And, although there are other companies that provide service to the license plate readers, using a company other than the original manufacturer would void the warranty on the equipment. Unfortunately, there is not a **best practical source** option available under the Code of Federal Regulations. *We will be requesting additional guidance from the grantor on this issue for potential purchases in the future.*

Two (2) instances were for AT&T for the conference line previously established in the EMA Office, which is used for regular business, as well as monthly conference calls with LE-SHSP Committee members. The conference line is also used for emergency activations with local public safety responders. Three quotes have been obtained for the conference phone number. It is not possible to obtain three quotes for individual conference calls during an emergency situation.

OHIO REVISED CODE (ORC) COMPLIANCE

ORC §5502, §935 and §3750 and Codified Federal Regulation (CFR) 44 §201 were reviewed and attributes were developed to ensure compliance with applicable rules and regulations.

No issues noted.

PERSONNEL FILES

Public Safety's policies and procedures were reviewed and staff interviews were conducted to gain an understanding of the personnel file structure. A sample of employees was judgmentally selected and detail testing was performed to verify that the personnel files contained the required documentation, for which Public Safety is responsible for submitting to the Executive's Office Department of Human Resources.

Employee job descriptions were reviewed and detail testing was performed to ensure Public Safety employees maintain the required licenses/certifications.

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The following issue was noted:

10. Issue:

Upon discussion with the EMA Senior Administrator, IAD noted that performance evaluations are not conducted annually. In addition, during detail testing, IAD noted four (4) out of four (4) instances where an employee's performance evaluation had not been completed within thirty (30) days of the employee's anniversary date. Per the Executive's Policy and Procedure Manual, performance evaluations shall be administered on an annual basis for all employees.

Recommendation:

IAD recommends that performance evaluations for all employees be conducted and documented annually. This will help to ensure annual reviews are performed in accordance with the Executive's Policy and Procedure Manual.

Corrective Action Taken Prior to End of Fieldwork:

IAD confirmed three (3) of the four (4) performance evaluations were completed.

Management Action Plan:

The fourth performance evaluation (for Valerie De Rose) was completed by the Director of The Law Department. The Senior Administrators of The Division of Public Safety will complete performance evaluations within the required time frame set out in the Executive's Office policies and procedures.

PROCUREMENT CARD

Procurement Card (P-Card) policies and procedures were reviewed and interviews were conducted to gain an understanding of the P-Card process. Transactions were reviewed to ensure that they did not exceed established limits. A sample of payments made to U.S. Bank was haphazardly selected and reviewed to ensure that purchases were reasonable and properly recorded, proper approval was obtained, supporting documentation was retained and the purchases were exempt from sales tax.

No issues noted.

**II. Security:**

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