

Summit County Executive Office
Department of Administrative Services
Performance Audit General Report

Prepared for:

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Audit Committee

Approved by Audit Committee
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EXECUTIVE SUMMARY

Total Number of Issues – 27

Policies and Procedures

Section	# Issues	Issue Descriptions	Page Ref.
Policies and Procedures	4	<ul style="list-style-type: none"> • Insufficient policies and procedures • No evidence of comprehensive review of the Animal Control and Physical Plants policy and procedure manuals within the last two (2) years • Capital Projects policy and procedure manual has not been formally approved and no evidence of a comprehensive review within the last two (2) years. • Destruction of paper work orders prior to the record retention destruction date 	9

Internal Controls

Strong Internal Controls:

Testing Section	# Issues	Issue Description	Page Ref.
Purchasing	0	N/A	17
Payroll			19
Personnel Files			20

Weaknesses in Internal Controls:

Testing Section	# Issues	Issue Descriptions	Page Ref.
Revenue	9	<p><i>Animal Control</i></p> <ul style="list-style-type: none"> • Reconciliation of pay-in sheet to Banner deposits not performed • Receipts not deposited timely • Pay-ins did not agree to the daily transaction reports • Insufficient management review of voided receipts and reason for void not documented • Manual pre-numbered receipts not utilized in the event of a disaster • Reconciliation of Poundkeeper’s cash collected to the system not performed • Incorrect amounts billed to a municipality and/or the amount did not agree to the contract • No tracking mechanism utilized for the mailing and receiving municipal invoices • Fee charged was incorrect; rescue group contracts have not been 	12

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		<p>renewed since 2011</p> <p><i>Physical Plants</i></p> <ul style="list-style-type: none"> Executive Order not obtained for scrap metal; Declaration of Scrap Metal Surplus Inventory Form was not complete; scrap metal transaction not documented in the work order system 	
Expenditures	4	<p><i>Animal Control</i></p> <ul style="list-style-type: none"> Invoices improperly approved; funds not properly encumbered; prior year purchase order used Packing slips not initialed/signed or not retained <p><i>Physical Plants</i></p> <ul style="list-style-type: none"> Funds not properly encumbered <p><i>Capital Projects</i></p> <ul style="list-style-type: none"> Packing slips not retained; proper segregation of duties could not be determined 	17
Regulatory Compliance	4	<p><i>Animal Control</i></p> <ul style="list-style-type: none"> Weekly reports of dogs seized, impounded, redeemed and destroyed not forwarded to the Executive's Office Bond was not secured for a Deputy Warden Drug Enforcement Agency Controlled Substance Registration Certificate does not contain Schedule 4 controlled substances <p><i>Physical Plants</i></p> <ul style="list-style-type: none"> Elevator certificate was expired and not renewed 	20
Animal Control (Procedural Testing)	4	<ul style="list-style-type: none"> Kennel inventory not timely updated Volunteer did not sign the personnel policy acknowledgement form; did not sign the acknowledgement and release form Witness was not documented as being present during the euthanasia procedure Euthanasia log not approved by management 	22
Capital Projects (Contracts)	1	<ul style="list-style-type: none"> Certified Search for Unresolved Findings for Recovery was not utilized; Notice of Commencement was not prepared; Certificate of Substantial Completion and Certificate of Final Completion was not issued 	24
Physical Plants (Work Order System)	1	<ul style="list-style-type: none"> Requestor did not sign off on the work order; employee did not sign off on the work order 	25

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GENERAL BACKGROUND

The Executive Office Department of Administrative Services (DAS) oversees many of the intergovernmental projects and day-to-day operations of county government. This organization of Summit County is organized under the authority of the County Executive, and includes the Physical Plants/Facilities, Capital Projects, and Animal Control divisions.

The Physical Plants/Facilities Division is responsible for maintaining all county-owned buildings and assisting in the renovation of other county buildings. The Physical Plants/Facilities Division has a portfolio of approximately 30 buildings providing over 1.5 million square feet of structures from which it delivers vital services to the community. These buildings are physical assets which need to be properly maintained to ensure that they are fit for their purpose and continue to function as efficiently and effectively as possible in supporting the delivery of a wide range of services.

The Capital Projects Division oversees new construction and provides management of projects outlined in the County's Capital Improvements Plan. This includes selecting architects and construction managers, /soliciting bids for projects and monitoring the construction. The yearly construction amounts since 2000 have ranged from \$1.0 million to \$17.6 million.

The Animal Control Division provides shelter for stray animals, responds to citizen complaints, facilitates adoption of unclaimed stray animals and provides euthanasia services to the public for suffering pets as well as nuisance animals (e.g., raccoons, opossums).

DAS consists of fifty-seven (57) employees (1% of Summit County employment) comprising of a Director, Deputy Directors, maintenance personnel, Veterinarian, Dog Wardens and Poundkeepers. The DAS 2015 and 2016 budgeted expenditures¹ totalled \$4,746,170 and \$4,753,300, respectively (1% of the 2015 and 2016 County operating budget, respectively).²

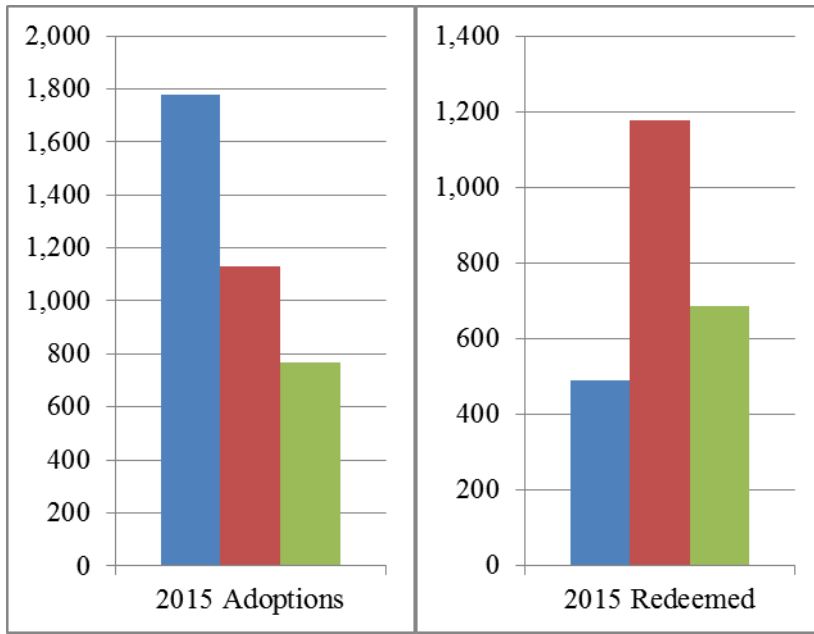
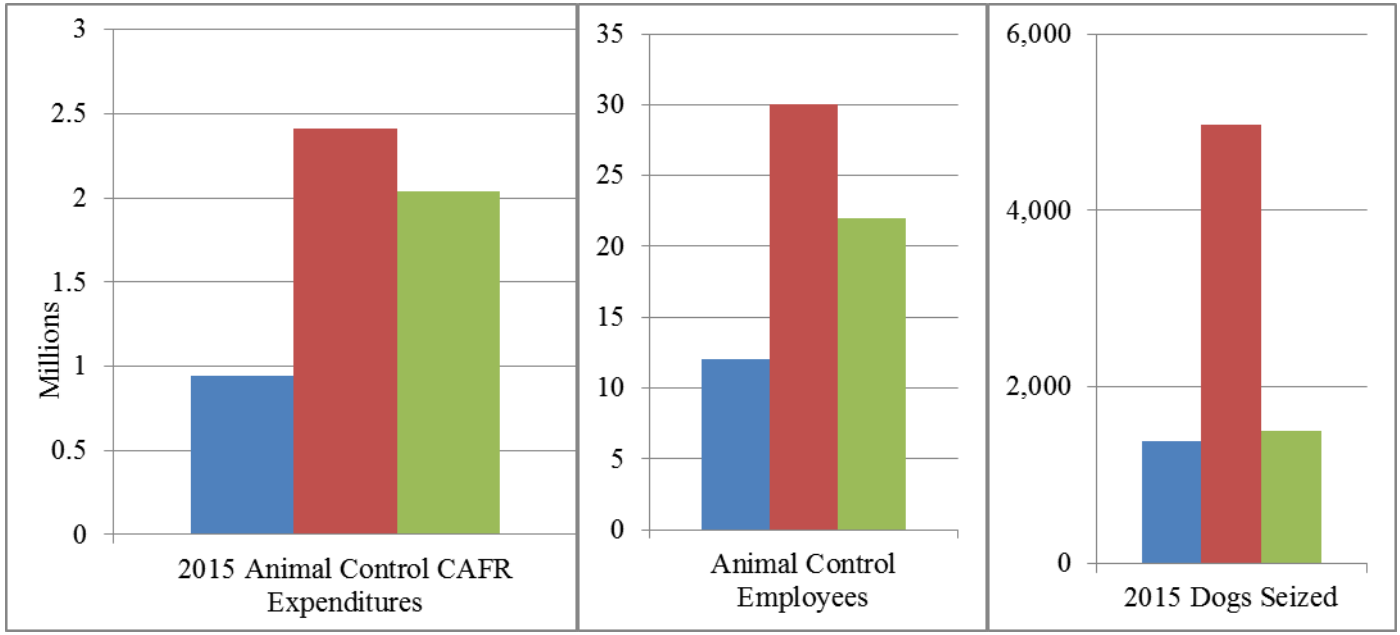
IAD compared the Animal Control Division's³ 2015 County Annual Financial Report (CAFR) expenditures, current staffing levels, and 2015 number of dogs seized, animals adopted and animals redeemed by their owners to the Animal Control Divisions from comparably populated counties – Montgomery and Lucas. The comparisons are represented in the graphs on the following page:

¹ Budgeted expenditures were used in lieu of actual expenditures because the Capital Projects budget is not separated by department on the CAFR and the Animal Control Division is maintained under a separate fund.

² <https://co.summitoh.net/index.php/departments/finance-a-budget/budget-information>

³ IAD did not receive statistics for the Physical Plants and Capital Projects Divisions from Lucas and Montgomery Counties.

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AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

The primary focus of this review was to provide the Department of Administrative Services (DAS) 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 DAS.

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.

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 DAS from June 1, 2015 through May 31, 2016.

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.

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OBJECTIVE 2 – REVIEW OF INTERNAL CONTROLS

1. Meet with the appropriate personnel to obtain an understanding of the control environment.
2. Document the existing control procedures in narratives and/or flowcharts.
3. Compare existing processes to the policies and procedures manual for consistency.
4. Test procedures for compliance where applicable, noting all exceptions.
5. Investigate discrepancies and summarize results.
6. 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 DAS, IAD performed interviews with the following positions:

Department of Administrative Services

- Director of Administrative Services

Physical Plants/Facilities Division

- Deputy Director of Physical Plants
- Building Maintenance Superintendent
- Maintenance Supervisor
- Correctional Maintenance Superintendent
- Custodial Superintendent

Capital Projects Division

- Deputy Director of Capital Projects
- Construction Project Coordinator

Animal Control Division

- Animal Control Manager
- Deputy Warden
- Veterinarian
- Assistant Poundkeeper
- Administrative Assistant

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

I. Policy and Procedures Review:

Policies and procedures were reviewed for each applicable testing section within the audit for accuracy and completeness and compared to current processes for consistency. Records Retention Schedules were also reviewed for completeness and compared to processes throughout the audit to ensure that the schedules contained all relevant documents.

The following issues were noted:

1. Issue:

Upon review of policies and procedures, IAD noted insufficient policies and procedures in the following areas:

Animal Control

- Veterinary processes (e.g., controlled substance logs)
- Expenditures (e.g., outdated; does not include current procedures for payment of invoices)
- Animal Bite Investigation and Follow-up (e.g., obtaining local law enforcement report, sending out a notice form and dangerous dog packet to dog owner)
- Chameleon system

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Capital Projects

- Purchasing Process (e.g., requisition approval, etc.)
- Expenditure Process (e.g. invoice approval process)

Physical Plants

- Purchasing Process (e.g., requisition approval, etc.)
- Expenditure Process (e.g. invoice approval process)
- Packing Slip Process

Recommendation:

IAD recommends that Policy and Procedures are created/updated, approved, and disseminated for all functional areas within the agency. This will help to ensure that proper procedures are in place and consistently followed within the department.

Corrective Action Taken Prior to the End of Fieldwork:

Updated policies were obtained for the following:

Animal Control

- Expenditures policy
- Animal Bite Investigation and Follow-up policy
- Chameleon system policy
- Veterinary process policy

Capital Projects

- Purchasing and Expenditure policy

Physical Plants

- Purchasing and Expenditure policy
- Packing Slip policy

Management Action Plan:

Will continue to work under the scope of the new policies created department wide.

Target Date: 9/16/2016

2. Issue:

Upon review of the Animal Control and Physical Plants policy and procedure manuals for completeness and accuracy, IAD noted policies are updated as needed; however, there is no evidence of comprehensive review of the manual within the last two (2) years.

Recommendation:

IAD recommends that all policies and procedures be updated/reviewed and approved by management. This will help ensure that approved policies and procedures are accurate and consistently followed by employees.

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Corrective Action Taken Prior to the End of Fieldwork:

IAD noted that management reviewed and approved the Animal Control and Physical Plants policy and procedure manuals.

Management Action Plan:

Will continue to work under the scope of the new policies created department wide.

Target Date: 9/16/2016

3. Issue:

Upon review of the Capital Projects Policy and Procedures Manual for completeness and accuracy, IAD noted the manual has not been formally approved by management and there is no evidence of review within the last two (2) years. Additionally, IAD noted that employees are not required to acknowledge receipt and review of the Capital Projects Policy and Procedure Manual.

Recommendation:

IAD recommends that policies and procedures be updated/reviewed and approved by management on a routine basis. Additionally, IAD recommends that the Capital Projects Division require employees to sign-off, acknowledging their receipt and review of the policy and procedure manuals. This will help ensure that approved policies and procedures are accurate and to ensure compliance by employees.

Corrective Action Taken Prior to the End of Fieldwork:

IAD noted that management reviewed and approved the Capital Projects policy and procedure manual.

Management Action Plan:

Director of Administrative Services will review and approve the Capital Projects policy manual every two years.

Target Date: 9/16/2016

4. Issue:

Per the Physical Plants Records Retention Schedule (RC-2), IAD noted paper work orders are required to be maintained for two (2) years; however, upon discussion, work orders were destroyed prior to the disposal date on the RC-2, due to relocation to a new facility.

Recommendation:

IAD recommends that work orders be maintained in accordance with the division's RC-2. This will help to ensure compliance with Ohio Sunshine Laws and the current schedule.

Management Action Plan:

Continue to follow the guidelines set forth in the Physical Plants RC2.

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Target Date: 9/16/2016

II. Internal Control Testing:

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

- Revenue
- Purchasing
- Expenditures
- Payroll
- Personnel Files
- Regulatory Compliance
- Animal Control Procedural Testing
- Capital Projects Contracts
- Physical Plants Work Order System

REVENUE

Policies and procedures and applicable ORC sections were reviewed, observations were performed, staff interviews were conducted, and flowcharts were created and approved to gain an understanding of the cash receipts cycle, the laws and regulations that govern it, and internal controls in place.

Animal Control

A sample of deposits from the SCAMP database (prior cash management system) and Chameleon (current cash management system) was haphazardly selected for detail testing to ensure proper segregation of duties, appropriate recording into the respective accounting system, and timeliness and accuracy of the deposit. During detail testing of the SCAMP system, IAD noted improper controls over cash receipts (e.g., users able to change, edit and delete transactions, no sequential receipts, etc.); therefore, IAD could not verify the completeness and accuracy of the funds received.

Additionally, IAD performed detail testing to ensure a plan was in place in the event the cash management system became non-functional (e.g., power outage).

Municipal bills were obtained and compared to established contracts to ensure the amount billed was calculated correctly. Municipal contracts were obtained and detail testing was performed to ensure all accrued fees prior to the contract execution date were paid in full.

The fee listing was obtained from Summit County Codified Ordinances §505.56 and §505.58 and compared to fees charged in the system to ensure fees are accurate and complete.

Physical Plants/Facilities

IAD obtained a listing of scrap metal deposits and performed detail testing to ensure the following:

- An Executive Order was obtained for the scrap metal.
- The Declaration of Scrap Metal Surplus Inventory Form appears complete.
- The amount of the scrap receipt agrees to the Banner pay-in.
- The scrap metal transaction was documented in the work order system.

The following issues were noted:

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5. Issue:

Upon discussion, IAD noted a reconciliation of the Animal Control Drop-off Form (Pay-in sheet) to Banner deposits is not performed.

Recommendation:

IAD recommends this reconciliation be performed in order to ensure the correct amount of funds is deposited into each of the Animal Control Banner accounts.

Management Action Plan:

Will reconcile the drop off form with the Banner deposit sheets to insure the correct dollar amounts are reflected in Banner.

Target Date: 09/16/2016

6. Issue:

Upon detail testing of Animal Control cash receipts, IAD noted nineteen (19) of thirty (30), or sixty-three percent (63%), instances where the cash receipts were not timely deposited in accordance with ORC §9.38.

Recommendation:

IAD recommends that all funds received by Animal Control be deposited the next business day or a policy be written and approved by County Council to allow up to three (3) days for deposits cumulatively less than \$1,000. This will help to ensure compliance with ORC §9.38.

Corrective Action Taken Prior to the End of Fieldwork:

IAD noted a policy exists to allow up to three (3) days for deposits that do not exceed \$1,000; however, the policy has not been approved by County Council.

Management Action Plan:

Animal Control will make all deposits the next business day and continue to work with the Law Department to change legislation to extending the pay in period.

Target Date: 09/16/2016

7. Issue:

Upon review of cash receipts utilizing the current system (received after 6/1/16), IAD noted four (4) of six (6), or sixty-seven percent (67%), instances where the total daily pay-in, per the Fiscal Office, did not agree to the daily transaction report from Chameleon (Cash Box Closing Report), resulting in a two hundred twenty-five dollar (\$225) shortage and eighty-seven dollar (\$87) overage.

Additionally, upon discussion and observation of the cash receipt reconciliation process, IAD noted a reconciliation of the daily transaction report from the Chameleon system (Cash Box Closing Report) to cash

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received is not performed by each Poundkeeper for his/her individual cash lock box or by management when preparing the total cash for deposit.

Recommendation:

IAD recommends that each Poundkeeper who has collected cash during the day reconcile his/her cash receipts to the Chameleon Cash Box Closing Report for his/her transactions. Additionally, IAD recommends that management perform the same reconciliation with all cash received, for each collector. This will help to ensure safeguarding of cash receipts.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained a policy which includes reconciliation of monies collected to the system, for each employee.

Management Action Plan:

Stringent policies have been developed that will be followed by all Staff using the Chameleon Software system. Each Staff person will be required to reconcile their cash box to the Chameleon Cash Box closing report on a daily basis.

Target Date: 09/16/2016

8. Issue:

Upon discussion, IAD noted management is not reviewing or approving voided receipts for reasonableness, in accordance with policy and procedure. Additionally, the reason for the void is not documented.

Recommendation:

IAD recommends all voided receipts be reviewed by management for reasonableness and the reason for voided receipts be documented. This will help to ensure safeguarding of cash receipts and compliance with policies and procedures.

Corrective Action Taken Prior to the End of Fieldwork:

IAD received an updated policy regarding voided transactions.

Management Action Plan:

Stringent policies have been developed that will be followed by all Staff using the Chameleon Software system. Each Staff person will be required to reconcile their cash box to the Chameleon Cash Box closing report on a daily basis.

Target Date: 09/16/2016

9. Issue:

Upon discussion, IAD noted Animal Control does not utilize a manual pre-numbered receipt book in the event the Chameleon system is unavailable.

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Recommendation:

IAD recommends that manual pre-numbered receipt books be purchased for the event the Chameleon system goes down. This will help to ensure proper handling of cash receipts.

Corrective Action Taken Prior to the End of Fieldwork:

IAD observed Animal Control purchased manual pre-numbered receipt books. Additionally, IAD noted Animal Control created a policy regarding transactions during power outages or system failures.

Management Action Plan:

Continue to follow the policy that was created to cover power outages and system failures.

Target Date: 09/16/2016

10. Issue:

Upon review of municipal billing, IAD noted forty-eight (48) of two hundred sixty-eight (268), or eighteen percent (18%), instances where an incorrect amount was billed to a municipality and/or the amount billed was not in agreement with the contract for Animal Control services (e.g., billed an incorrect amount for euthanasia, not billed for housing and feeding, seizing and delivery, etc.) resulting in three hundred forty dollars (\$340) overbilled and one thousand seven hundred thirty dollars (\$1,730) underbilled.

Recommendation:

IAD recommends that municipal billing be performed in accordance with established contracts and that amounts billed be reviewed by management monthly to ensure accuracy. This will help to ensure accurate billing to municipalities and compliance with the established contracts.

Corrective Action Taken Prior to the End of Fieldwork:

IAD received a municipal billing policy, updated to include all fees established within the contracts.

Management Action Plan:

Will continue to follow the updated policy.

Target Date: 9/16/2016

11. Issue:

Upon discussion, IAD noted a tracking mechanism for mailing invoices and receiving payments is not utilized for the municipal billing process. Therefore, IAD could not perform testing to ensure payments were made timely, in accordance with the established contracts.

Recommendation:

IAD recommends that Animal Control implement a tracking mechanism for municipal billing invoices/payments. This will help to ensure payments are received timely, in compliance with the established contracts.

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Corrective Action Taken Prior to the End of Fieldwork:

IAD received an updated municipal billing policy which includes procedures for tracking municipal billing payments. Additionally, IAD received a copy of the spreadsheet created to track payments.

Management Action Plan:

Continue to utilize the newly created spreadsheet for tracking and follow the updated policy.

Target Date: 9/16/216

12. Issue:

Upon review of the fee inventory in the Chameleon system, IAD noted eight (8) of twenty-four (24), or thirty-three percent (33%), instances where the fee charged by Animal Control was incorrect, which include:

- Five (5) of twenty-four (24), or twenty-one percent (21%), instances where the fee charged by Animal Control was not in accordance with Codified Ordinances.
- One (1) of twenty-four (24), or four percent (4%), instances where the fee charged by Animal Control was not in accordance with Executive Order.
- Two (2) of twenty-four (24), or eight percent (8%), instances where the fee charged by Animal Control was not in accordance with an established contract with a rescue group.

Additionally, IAD noted contracts with rescue groups have expired.

Recommendation:

IAD recommends that Animal Control update the fee inventory in the Chameleon system to reflect all applicable charges established in Summit County Codified Ordinances §505.56 and §505.58 and establish current contracts with rescue groups prior to charging reduced fees. This will help to ensure compliance with Codified Ordinances and contractual terms.

Corrective Action Taken Prior to the End of Fieldwork:

IAD received an updated Chameleon fee listing and support that a new rescue contract was sent to the Law Department for review.

Management Action Plan:

Work with the Law Dept. to re-issue contracts to the rescue groups.

Target Date: 9/16/216

Physical Plants

13. Issue:

Upon detail testing of scrap metal revenue transactions, IAD noted the following:

- Nine (9) of thirteen (13) instances, or sixty-nine percent (69%), where an Executive Order was not obtained in accordance with Codified Ordinance §177.18.

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- Four (4) of thirteen (13) instances, or thirty-one percent (31%), where a Declaration of Scrap Metal Surplus Inventory Form was not complete (missing signatures, incomplete).
- Five (5) of thirteen (13) instances, or thirty-eight percent (38%), where the scrap metal transaction was not documented in the Quecentre Q Maintenance Work Order System.

Recommendation:

IAD recommends that an Executive Order be obtained for all scrap metal transactions, a Declaration of Scrap Metal Surplus Inventory Form be completed for all transactions, and that each scrap metal transaction is documented in the Quecentre Q Maintenance Work Order System. This will help to ensure compliance with Physical Plants Division policies and procedures and Codified Ordinance §177.18.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained an updated Scrap Metal Policy and noted that all scrap items must have an Executive Order before they can be disposed of.

Management Action Plan:

Continue to follow the updated Scrap Metal policy.

Target Date: 09/16/2016

PURCHASING

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 haphazardly selected and detail testing was performed to test for proper documentation and approvals.

An interview was conducted to gain an understanding of the Animal Control Division's procurement card (p-card) process. A sample of p-card purchases was selected and detail testing was performed to ensure the purchase was exempt from sales tax, reasonable and properly recorded, approved by the appropriate employee, and supported by proper documentation. Additionally, Procurement Card Program Cardholder Acknowledgment forms and Cardholder Application forms were reviewed for all Animal Control division cardholders.

No issues were noted.

EXPENDITURES

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 haphazardly selected and detail expenditure testing was performed to verify that funds do not remain encumbered for prior year purchase orders, confirm proper approval, proper authorizations, funds were encumbered prior to incurring the expense, and that the appropriate vendor and amount were paid. Additionally, packing slips were reviewed to ensure proper segregation of duties.

The following issues were noted:

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14. Issue:

Upon detail testing of Banner expenditures, IAD noted the following:

- Eighteen (18) of twenty-three (23), or seventy-eight percent (78%), instances where invoices were improperly approved (e.g., same person entering and approving).
- Two (2) of seven (7), or twenty-nine percent (29%), instances where funds were not properly encumbered prior to incurring the expense (e.g., purchase order date after the invoice date).
- One (1) of eight (8), or thirteen percent (13%), instances where a prior year purchase order was used for payment.

Per ORC §5705.41, no order involving the expenditure of money shall be made without a certificate of the Fiscal Office (purchase order); in addition, purchase orders may not extend beyond the end of the fiscal year.

Recommendation

IAD recommends that proper approval be obtained for the payment of expenditures, funds be encumbered prior to incurring the expense/liability and that invoices be paid off of current year purchase orders, with the exception of those associated with a current contract. This will help to ensure proper approval, segregation of duties, and expenditure of funds, and compliance with ORC §5705.41.

Management Action Plan:

Continue to follow updated Expenditures Policy to insure separation of duties, purchase orders shall be obtained before orders are placed and purchase orders without a contract are to be expended at the end of the year.

Target Date: 9/16/216

15. Issue:

Upon detail testing of packing slips, IAD noted nine (9) of ten (10), or ninety percent (90%), instances where the packing slip was not initialed/signed, in accordance with policy and procedure, or was not retained; therefore, IAD could not determine if a proper segregation of duties exists.

Recommendation:

IAD recommends that an employee other than the purchaser, initial or sign and retain all packing slips or invoices utilized to check in goods. This will help to ensure the accountability of items purchased and compliance with policies and procedures.

Management Action Plan:

Updated Expenditure policy to insure that packing slips/invoices are signed, dated and retained.

Target Date: 09/16/2016

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Physical Plants

16. Issue:

Upon detail testing of Banner expenditures, IAD noted ten (10) of fifty-one (51), or twenty percent (20%), instances where funds were not properly encumbered prior to incurring the expense (e.g., purchase order date after the invoice date).

Per ORC §5705.41, no order involving the expenditure of money shall be made without a certificate of the Fiscal Office (purchase order).

Recommendation

IAD recommends that funds be encumbered prior to incurring the expense/liability. This will help to ensure proper expenditure of funds, and compliance with ORC §5705.41.

Management Action Plan:

Physical plants will encumber all funds prior to incurring any expense except in case of emergency approved by the Director of Administrative Services or the Deputy Director of Physical Plants.

Target Date: 09/16/2016

Capital Projects

17. Issue:

Upon discussion with personnel, IAD noted that packing slips are not initialed and retained; therefore, IAD was unable to perform testing to ensure proper segregation of duties is in place with the ordering and receiving functions.

Recommendation:

IAD recommends that an employee other than the purchaser, initial or sign and retain all packing slips or invoices used to check in goods. This will help to ensure the accountability of items purchased and compliance with policies and procedures.

Management Action Plan:

Capital Projects will have an employee other than the purchaser sign and retain all packing slips or invoices used to check in goods.

Target Date: 9/16/2016

PAYROLL

Interviews were conducted to gain an understanding of the Animal Control, Physical Plants/Facilities and Capital Projects payroll processes. Payroll approval reports were generated and reviewed to determine appropriate authorizations and to confirm a proper segregation of duties.

No issues were noted.

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PERSONNEL FILES

Policies and procedures were reviewed and an interview was conducted to gain an understanding of the procedures in place over personnel files. A sample of employees was haphazardly selected and detail testing was performed to ensure annual evaluations were completed in accordance with County Codified Ordinances.

No issues were noted.

REGULATORY COMPLIANCE

Applicable regulatory sections were reviewed and attributes were developed and included in detail testing to ensure the following:

Animal Control Division

ORC §955.12:

- The warden and deputies are bonded for not less than five hundred dollars (\$500) and not more than two thousand dollars (\$2,000).
- Weekly reports are forwarded to the Executive listing all dogs seized, impounded, redeemed and destroyed.

OAC §4729:

- Records for administering, dispensing or using controlled substances contain the required information.
- Records of receipt of controlled substances contain the required information.
- A complete and accurate controlled substance inventory is performed once per year and contains the required information.
- Records of receipt, distribution, administration, dispensing, inventory, destruction or using controlled substances are kept for three (3) years.
- The Animal Control facility is State of Ohio Board of Pharmacy certified as a distributor of dangerous/narcotic drugs.

Drug Enforcement Agency (DEA) Practitioners Manual:

- The Veterinarian and Animal Control facility is registered with the DEA.

Physical Plants/Facilities

ORC §4105.15

- A current elevator Certificate of Operation is maintained for each elevator.

The following issues were noted:

Animal Control

18. Issue:

Upon discussion with personnel, IAD noted a log of dogs seized, impounded, redeemed and destroyed is maintained; however, weekly reports of the same are not forwarded to the Executive's Office, in accordance with ORC §955.12 .

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Recommendation:

IAD recommends that a report of dogs seized, impounded, redeemed and destroyed is forwarded to the County Executive and/or County Executive's Chief of Staff on a weekly basis. This will help to ensure compliance with ORC §955.12.

Management Action Plan:

A report will be forwarded to the Chief of Staff or County Executive weekly.

Target Date: 9/16/2016

19. Issue:

Upon detail testing, IAD noted one (1) out of three (3), or thirty-three (33%) percent, instances where a bond not less than five hundred dollars (\$500) and not more than two thousand dollars (\$2,000) was not secured for a Deputy Warden, in accordance with ORC §955.12.

Recommendation:

IAD recommends that bond not less than five hundred dollars (\$500) and not more than two thousand dollars (\$2,000) be secured for the Deputy Warden. This will help to ensure compliance with ORC §955.12.

Corrective Action Taken Prior to the End of Fieldwork:

IAD confirmed with the Insurance Department that a bond has been obtained for the Deputy Warden.

Management Action Plan:

Will insure that any new employees which are required to will be bonded.

Target Date: 9/16/2016

20. Issue:

Upon detail testing, IAD noted the DEA Controlled Substance Registration Certificate does not contain Schedule 4 controlled substances, which are currently maintained at the facility, in accordance with DEA regulations.

Recommendation:

IAD recommends that the Animal Control Division register with the DEA for all schedules of drugs that are maintained at the facility. This will help to ensure compliance with DEA regulations.

Management Action Plan:

Continue to work with Law Dept. to insure that the schedule of drugs is maintained at the Animal Control Facility.

Target Date: 9/16/216

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Physical Plants

21. Issue:

Upon detail testing, IAD noted four (4) of thirty-one (31), or thirteen percent (13%), instances where an elevator certificate was expired and not renewed in accordance with ORC §4105.15.

Recommendation:

IAD recommends all elevator certificates be renewed prior to the expiration date. Additionally, IAD recommends that an elevator certification tracking spreadsheet be created. This will help ensure compliance with the ORC §4105.15.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained a receipt of payment for the renewal of the elevator certificates. In addition, IAD obtained an elevator tracking spreadsheet utilized by the Physical Plants Division to track elevator certificates and inspections.

Management Action Plan:

Physical Plants will insure that all elevator certificates will be renewed prior to the expiration date. In addition Physical Plants has created an Elevator Certificate tracking spread sheet.

Target Date: 9/16/2106

ANIMAL CONTROL (PROCEDURAL TESTING)

Policies and procedures were reviewed and an interview was conducted and a flowchart was created to gain an understanding of the procedures in place over the Animal Control facility. A kennel inventory listing was obtained and a sample of animals was haphazardly selected and visually observed to ensure the listing was accurate. A sample of volunteers was haphazardly selected and detail testing was performed to ensure the volunteer signed the acknowledgement release and personnel policy forms and volunteer application.

A sample of dangerous/vicious dog incidents was haphazardly selected and detail testing was performed to ensure a local law enforcement incident report was received, the warden conducted and completed an investigation report, a notice form was sent to dangerous/vicious dog owner, and the warden's determination of labeling the dog dangerous/vicious appeared reasonable, in accordance with ORC § 955.11.

A sample of euthanized animals was haphazardly selected and detail testing was performed to ensure the euthanasia log was completed and approved by management and the dosage of the euthanasia drug (Fatal Plus) appeared reasonable. Additionally, euthanasia logs were reviewed to ensure euthanasia was performed by a certified Euthanasia Technician and a witness was present.

The following issues were noted.

22. Issue:

Upon detail testing of kennel inventory, IAD noted fourteen (14) of twenty-five (25), or fifty-six percent (56%), instances where an animal was included on the current kennel inventory listing but was not located at the facility (e.g., animal was adopted, euthanized, etc.).

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Recommendation:

IAD recommends that the kennel inventory listing be immediately updated upon adoption, redemption, euthanasia, etc. This will help to ensure accuracy of the inventory listing as well as disposition of all animals located at the facility.

Management Action Plan:

Will continue to follow the new Chameleon policy. In addition the Animal Control Manager will review weekly for accuracy.

Target Date: 9/16/2016

23. Issue:

Upon detail testing of volunteers, IAD noted the following, in accordance with the Volunteer Program Policy:

- Twenty-eight (28) of fifty-two (52), or fifty-four percent (54%), instances where a volunteer did not sign a personnel policy acknowledgement form.
- Two (2) of fifty-six (56) instances, or four percent (4%), where a volunteer did not sign an acknowledgement & release form.

Recommendation:

IAD recommends that all Animal Control Division volunteers sign a personnel policy acknowledgement form and an acknowledgement & release form prior to volunteering. This will help to ensure compliance with internal policies and procedures.

Corrective Action Prior to the End of Fieldwork:

IAD obtained one (1) signed volunteer personnel policy acknowledgment form. Additionally, IAD obtained an updated volunteer listing and noted all (2) volunteers who did not sign an acknowledgement & release form have been removed from the listing and three (3) out of twenty-eight (28) volunteers who did not sign a personnel policy acknowledgement form have been removed from the volunteer list.

Management Action Plan:

Will insure that all future volunteers will have the correct documentation signed before being designated as an active volunteer.

Target Date: 9/16/2016

24. Issue:

Upon detail testing of euthanasia logs, IAD noted thirty-three (33) instances where a witness was not documented as being present during the euthanasia procedure, in accordance with policies and procedures (25 not present with the Veterinarian; 8 not present with a Poundkeeper).

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Recommendation:

IAD recommends that there be a minimum of two (2) employees present during any euthanasia procedure. This will help to ensure compliance with internal policies and procedures.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained an updated Euthanasia Policy and noted it no longer requires the veterinarian to have a witness present during euthanasia process.

Management Action Plan:

The Veterinarian was removed from the witness protocol and the Animal Control Manager will review the euthanasia sheets in accordance with Euthanasia policy to insure compliance by all employees.

Target Date: 9/16/2016

25. Issue:

Upon detail testing of euthanized animals, IAD noted four (4) of eleven (11), or thirty-six percent (36%), instances where the euthanasia log was not approved by management, in accordance with policies and procedures.

Recommendation:

IAD recommends that all euthanasia logs be reviewed and signed by management. This will help to ensure compliance with internal policies and procedures.

Management Action Plan:

The Animal Control Manager will view and sign all euthanasia sheets.

Target Date: 9/16/2016

CAPITAL PROJECTS (CONTRACTS)

Policies and procedures were reviewed and an interview was conducted and a flowchart was created to gain an understanding of the procedures in place over the contract monitoring process. A sample of open and closed contracts was judgmentally selected and detail testing was performed to ensure the following:

- The contract was executed.
- The Certified Search for Unresolved Findings for Recovery was utilized prior to the contract execution.
- The Notice of Commencement was created and included the required information.
- Progress meetings were held for the project.
- The Certificate of Substantial Completion and the Certificate of Final Completion was issued, when applicable.
- All applicable permits were obtained from the contractor.
- A final inspection was performed.

The following issue was noted.

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26. Issue:

Upon detail testing of contracts, IAD noted the following:

- Four (4) of four (4) instances, or one hundred percent (100%), where the Certified Search for Unresolved Findings for Recovery was not utilized prior to the issuance of the contract, in accordance with ORC §9.24 (A).
- Six (6) of seven (7) instances, or eighty-six percent (86%), where the Notice of Commencement was not prepared for the project, in accordance with ORC §1311.252 and the General Conditions.
- Three (3) of three (3) instances, or one hundred percent (100%), where the Owner did not issue a Certificate of Substantial Completion and a Certificate of Final Completion, in accordance with the General Conditions.

Recommendation:

IAD recommends that prior to the issuance of a contract the Certified Search for Unresolved Findings for Recovery Database be utilized, the Notice of Commencement be prepared for all projects and the Certificate of Substantial Completion and Certificate of Final Completion be issued upon project completion. This will help to ensure compliance with ORC §9.24 (A) and §1311.252 and the General Conditions.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained all four (4) Unresolved Findings for Recovery Certified Search Forms. In addition, IAD obtained a Contract Checklist containing all required items. Lastly, a Certificate of Final Completion and a Certification of Substantial Completion template was created.

Management Action Plan:

Capital Projects prior to the issuance of a contract will insure that the Certified Search for Unresolved Findings for Recovery Database be utilized, the Notice of Commencement be prepared for all projects and the Certificate of Substantial Completion and Certificate of Final Completion be issued upon project completion. This will help to ensure compliance with ORC §9.24 (A) and §1311.252 and the General Conditions.

Target Date: 9/16/2016

PHYSICAL PLANTS (WORK ORDER SYSTEM)

Policies and procedures were reviewed and an interview was conducted and a flowchart was created to gain an understanding of the procedures in place over the work order system process. A sample of completed work orders was haphazardly selected and detail testing was performed to ensure the requestor and assigned employee signed the work order to denote the work was completed. Additionally, IAD reviewed open (incomplete) work orders to ensure the reason for them remaining open appeared reasonable.

The following issue was noted:

27. Issue:

Upon detail testing, IAD noted one hundred eighteen (118) of one hundred and eighteen (118), or one hundred percent (100%), instances where the requestor of the work order did not sign off on the paper work order and seventy-three (73) of one hundred eighteen (118), or sixty-two percent (62%), instances where the assigned

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Physical Plants' employee did not sign off on the paper work order, in accordance with the Physical Plants' Policy and Procedure manual.

Recommendation:

IAD recommends requestors and assigned employees of work orders sign off on all work orders or policies and procedures be modified regarding the work order system sign-offs. This will help ensure compliance with Physical Plants' policies and procedures.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained an updated Work Order System Sign-Off Policy. IAD noted this policy no longer requires the requestor of a work order to sign-off on the paper work order. A confirmation email is sent to the requestor notifying them that the work order has been completed and closed.

Management Action Plan:

Continue to follow the new work order signature policy.

Target Date: 9/16/2016

II. Security:

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