Summit County Executive's Office
Parking Access Card Audit Report
Performance Audit – General Report

Prepared for:

Ilene Shapiro
Audit Committee

Approved by Audit Committee
June 3, 2019

Summit County
Internal Audit Department
175 South Main Street
Akron, Ohio 44308

Lisa L. Skapura, Director
Jon Keenan, Deputy Director
Brittney Quinn,, Senior Auditor
Brandon Schmidt, Senior Auditor
Mario Warren, Senior Auditor
Dan Weybrecht, Staff Auditor
Amanda Winkelman, Staff Auditor

Table of Contents

EXECUTIVE SUMMARY 3

GENERAL BACKGROUND 4

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY 4

DETAILED COMMENTS 5

EXECUTIVE SUMMARY

Total Number of Issues –5

Internal Controls

Weaknesses in Internal Controls:

Testing Section	# Issues	Issue Descriptions	Page Ref.
Parking Cards	5	• No policies and procedures exist over the County pool vehicle process. • Instances where a terminated employee is listed as having an active parking card. • Instance where an employee received a parking card and was not receiving a county payroll deduction. • Instances where applicable departments were not being charged back for parking cards. • Instances where the existence of the parking card could not be verified.	5

GENERAL BACKGROUND

In 2015, the County entered into a professional service contract with ABM Parking Services (ABM) for the operation and management of the Summit County parking deck for a sixty (60) month term, expiring on 7/31/2020. ABM is responsible for providing citizens with a parking card to access the Summit County parking deck. The County is either invoiced for parking cards where no ABM charge is associated with the card (e.g., pool cards, cards provided to county employees whose main place of work is not at the location of the Summit County parking deck, etc.) or a payroll deduction occurs for the employee. The County's procedure is to charge back the appropriate departments for the monthly invoice received from ABM.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

The primary focus of this review was to provide the Executive Office 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 Executive Office.

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 review the internal control structure through employee interviews and observations.

Scope:

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by the Executive Office regarding parking access cards as of present.

The following were the major audit steps performed:

OBJECTIVE 1 – 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.

DETAILED COMMENTS

II. Internal Control Testing:

PARKING CARDS

Policies and procedures were reviewed, interviews were conducted, and flowcharts were created and approved to gain an understanding of the parking access card process. A listing of all active parking cardholders was obtained and detail testing was performed to ensure the parking card was being paid for either through payroll deduction or the County was being invoiced by ABM with no charge associated. If the card was being invoiced to the County, the card was verified through physical observation to determine the card was in the possession of the appropriate department and detail testing was performed to ensure the appropriate department was charged back.

The following issues were noted:

1. Issue:

   Upon discussion with Administrative Services and Finance & Budget personnel, IAD noted no policies and procedures exist over the County pool vehicle card process (including but not limited to):

   - Issuance of county pool cards,
   - County pool card chargeback process,
   - Process over terminated employees and how to deactivate county pool cards,
   - No list of authorized personnel exists for the request and approval of county pool cards.

   Recommendation:

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

   Management Action Plan:

   The Department of Administrative Services along with the Department of Finance and Budget will develop Policy and Procedures to help ensure that proper procedures are in place and consistently followed for the County pool vehicle card process.

   Target Date: 6/30/19

2. Issue:

   Upon detail testing, IAD noted four (4) out of four hundred and twenty-four (424) instances where a terminated employee is still listed as having an active parking card; however, the card has not been utilized to enter the garage since their termination date.

Recommendation:

IAD recommends that a procedure be implemented to notify ABM personnel of all terminations. This will help to ensure parking cards are deactivated.

Corrective Action Taken Prior to the End of Fieldwork:

IAD noted all four (4) instances of cardholder access was removed.

Management Action Plan:

As part of the Policy and Procedures in the Management Action Plan for issue 1, it will include procedures for a process to notify ABM personnel of all terminations.

Target Date: 6/30/19

3. Issue:

Upon detail testing, IAD noted one (1) instance where an employee received a parking card and was noted on ABM's report under the payroll deduction category; however, the employee was not receiving a county payroll deduction.

Recommendation:

IAD recommends that upon issuance of the parking card, ABM personnel notify the Department of Insurance and Risk Management of any new cardholders wishing to receive a payroll deduction. This will help to ensure accountability over the payment of parking cards. In addition, a reconciliation be performed monthly of all employee's listed on ABM's report as receiving a payroll deduction. This will help to ensure all employees are accounted for.

Corrective Action Taken Prior to the End of Fieldwork:

IAD noted the (1) instance will receive a payroll deduction of $67.54 for the next fifty-two (52) pays until the amount owed has been met.

Management Action Plan:

The Departments of Employee Benefits and Insurance and Risk Management will transition the function of tracking and reconciling parking garage billings from Employee Benefits to the Fleet Manager in Risk Management. The Fleet Manager will then develop a Policy and Procedure to manage and reconcile all existing cardholders and any new cardholder wishing to receive a payroll deduction. As part of this policy and procedure, ABM will be notified that they should not issue any new cards unless notified by the Department of Insurance and Risk Management.

Target Date: 9/30/19

4. Issue:

Upon review of ABM parking card invoices, IAD noted an invoice is sent from ABM to the Executive's Office listing employees/departments, seventy-eight (78) cardholders, who were not billed via ABM invoice or county payroll deduction; however, the applicable departments were not charged back.

Recommendation:

IAD recommends all county pool cards be charged back to the applicable department. This will help to ensure all pool cards are being accounted for and paid for by the appropriate department.

Management Action Plan:

The invoice for the seventy-eight cardholders in the future will be sent to the Executive – Finance and Budget and will become part of the chargeback that in in place for the pool cards. The additional cards will be charged back to the appropriate departments starting with the chargeback for the 1st 6 months of 2019.

Target Date: 7/31/19

5. Issue:

Upon detail testing of parking cards, IAD could not determine the existence of the twenty-one (21) out of two hundred and twenty-two (222) departmental parking cards.

- Five (5) cards were utilized within the last year and sixteen (16) were utilized over a year ago.

Recommendation:

IAD recommends all county departmental cards be monitored by each department. This will help to ensure all cards are being accounted for and paid for by the appropriate department.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained an updated cardholder report and noted all twenty-one (21) cards were deactivated.

Management Action Plan:

The Executive Department of Finance and Budget is working with IT to develop a share point data base that will be monitored by each department to ensure all pool cards are being accounted for and paid for by the appropriate department.

Target Date: 12/31/19