

**Summit County Developmental Disabilities Board**  
*Segregated Accounts*  
Performance Audit General Report

**Prepared for:**

**John Trunk**  
**Audit Committee**

**Approved by Audit Committee**  
**December 16, 2019**



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

**Summit County Developmental Disabilities Board**  
*Segregated Accounts*  
Performance Audit – General Report

**Table of Contents**

EXECUTIVE SUMMARY .....	3
GENERAL BACKGROUND .....	3
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY .....	3
DETAILED COMMENTS.....	4

**Summit County Developmental Disabilities Board**

*Segregated Accounts*

Performance Audit – General Report

**EXECUTIVE SUMMARY**

**Total Number of Issues – 0**

**Internal Controls**

*Strong Internal Controls:*

<b>Area</b>	<b># Issues</b>	<b>Issue Description</b>	<b>Page Ref.</b>
Family Engagement Program (FEP) Account	0	N/A	4
Money Market Account			4
IRS Form 1099 Process			4

**GENERAL BACKGROUND**

The Summit County DD Board administers two (2) segregated bank account. A description of the segregated accounts deposits and expenditures are represented in the table below:

<b>Account Name (Account Number)</b>	<b>Regulating Authority</b>	<b>Deposits</b>	<b>Expenditures</b>
Family Engagement Program (FEP) Account (...8658)	N/A	Summit DD funds this account.	Reimbursement to individual for Family Engagement Program approved expenses.
Money Market Account (...9743) *	N/A	Accrued interest	N/A

\*This account was closed in March of 2018 and the remaining funds were deposited into the FEP account. No testing was performed.

**AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY**

The primary focus of this review was to provide the Summit County Developmental Disabilities Board (DD Board) 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 DD Board.

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.

## Summit County Developmental Disabilities Board

### *Segregated Accounts*

#### Performance Audit – General Report

#### **Objectives:**

- To review the segregated account internal control structure through employee interviews and observations.
- To ensure IRS Form 1099's are processed according to IRS regulations.

#### **Scope:**

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by the DD Board from January 1, 2018 through December 31, 2018.

The following were the major audit steps performed:

#### OBJECTIVE 1 – REVIEW OF SEGREGATED ACCOUNT 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. Test procedures for compliance where applicable, noting all exceptions.
4. Investigate discrepancies and summarize results.
5. Make recommendations where appropriate.

#### OBJECTIVE 2 – IRS FORM 1099 (1099) PROCESSING

1. Meet with the appropriate personnel to obtain an understanding of the department's process.
2. Document the existing control procedures in narratives and/or flowcharts.
3. Ensure the 1099 process is performed in accordance with IRS regulations.
4. Investigate discrepancies and summarize results.
5. Make recommendations where appropriate.

### **DETAILED COMMENTS**

#### **I. Segregated Account Internal Control Testing:**

Policies and procedures and applicable legislation were reviewed, staff interviews were conducted, and flowcharts were created and approved to gain an understanding of laws and regulations, deposit and expenditure processes, and internal controls in place for the following accounts:

- Family Engagement Program (FEP) Checking Account
- Money Market Account

Samples of deposits and expenditures were judgmentally selected for detail testing to ensure adequate support was maintained and expenditures appeared reasonable, in accordance with FEP rules.

No issues were noted.

#### **1099 Process:**

Staff interviews were conducted to gain an understanding of the 1099 process for the above-noted accounts. The 1099 process was reviewed to ensure procedures are performed in accordance with IRS regulations.

No issues were noted.