

Summit County Developmental Disabilities Board
Segregated Account
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 – 0

Internal Controls

Strong Internal Controls:

Area	# Issues	Issue Description	Page Ref.
Family Engagement Program (FEP) Account	0	N/A	4
IRS Form 1099 Process			5
Unclaimed Funds			5

GENERAL BACKGROUND

The Summit County DD Board administers one (1) segregated bank account. A description of the segregated account deposits and expenditures are represented in the table below:

Account Name (Account Number)	Regulating Authority	Deposits	Expenditures
Family Engagement Program (FEP) Account (...8658)	N/A	Summit DD funds this account.	Reimbursement to individual for Family Engagement Program approved expenses.

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.

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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.
- To ensure unclaimed funds are paid to the Fiscal Office according to policies and procedures.

Scope:

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by the DD Board from January 1, 2020 through December 31, 2020.

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.

OBJECTIVE 3 – UNCLAIMED FUNDS

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 unclaimed funds process is performed in accordance with applicable guidelines.
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 Family Engagement Program (FEP) Checking 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.

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II. 1099 Process:

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

No issues were noted.

III. Unclaimed Funds:

Staff interviews were conducted to gain an understanding of the unclaimed funds process for the above-noted account.

No issues were noted.