County of Summit
County Council
Audit Follow-up General Report

Prepared For:

Ilene Shapiro
Audit Committee

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

Lisa L. Skapura, Director
Meredith Merry, Deputy Director
Jaime Mayo, Internal Auditor
Jordan Duncan, Internal Auditor

Auditors:

Lisa Skapura, Director; Meredith Merry, Deputy Director; Jaime Mayo and Jordan Duncan, Internal Auditors.

Objectives and Methodology:

To determine if management has implemented their management action plans as stated in the previously issued audit reports.

Follow-up audits are not required to be conducted under GAO Yellow Book Standards. Due to the nature of this engagement (e.g., following up on issues noted in the prior audit reports with limited planning/assessment of risk and no new issues identified), this audit follow-up was not conducted in accordance with generally accepted government auditing standards.

Scope:

An overview and evaluation of policies, processes, and procedures implemented by the department/agency because of management actions stated in the management action plans during the prior audit process.

Testing Procedures:

The following were the major audit steps performed:

1. Review the prior audit final reports to gain an understanding of IAD issues, recommendations, and subsequent management action plans completed by the audited department/agency.
2. Review the work papers from the prior audit.
3. Review any departmental/agency response documentation provided to IAD with management action plan responses following the prior audit.
4. Identify management actions through discussions/interviews with appropriate departmental personnel to gain an understanding of the updates/actions taken.
5. Review applicable support to evaluate management actions.
6. Determine implementation status of management action plans.
7. Complete the audit follow-up report noting the status of previously noted management actions.

Summary:

Of the eleven (11) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, County Council fully implemented nine (9) and partially implemented two (2) management action plans.

Based on the above-noted information, IAD believes County Council has made a positive effort towards implementing the management action plans as stated in response to the issues identified in the preliminary audit and no further follow up is needed.

Listed below is a summary of the issues noted in the audit follow-up report and their status. Each issue number is in reference to the previously-issued audit report:

MANAGEMENT ACTION PLANS FULLY IMPLEMENTED

Issue 1 - Upon review of County Council's policies and procedures for completeness and accuracy, IAD noted the following:

Department Policy and Procedure Manual
- Effective dates/dates of revision are not noted,
- The manual has not been revised/updated in the last two (2) years,
- The manual has not been formally approved by management,
- There are no staff sign-offs for the manual,
- There is an incorrect reference to legislation,
- Policies do not appear complete for specifics on employee job functions.

Employee Policy and Procedure Manual
- Effective dates/dates of revision are not noted,
- The manual has not been revised/updated in the last two (2) years,
- The manual has not been formally approved by management.

Upon review of policy and procedure and physical observation of sign-offs, no exceptions were noted.

Issue 2 - Upon review of County Council's policies and procedures, no written or insufficient policies and procedures were noted for the following areas:

- Requisitions – employees responsible for entering and approving.
- Vouchering – outdated.
- Cash Receipt and Reconciliation Process.
- Travel Reimbursement – Executive Assistant sign off in lieu of the Council President.
- Payroll Approval Process.
- Personal/Acceptable Use of iPad.
- Employees working for other departments/governmental agencies.
- Constituent Call database.
- Personnel Files – maintaining (checklist of items) and employee review of file (tracking employee review and supervisor present during review)
- Asset Inventory & Disposal

Upon review of policies and procedures, IAD noted policies have been created and/or updated for the above-noted areas.

Issue 4 - Upon discussion with the Chief of Staff and review of the process flow chart, IAD noted (1) employee responsible for ordering and receiving purchases within the department, creating an improper segregation of duty.

Upon discussion and review of policies and procedures, it is noted that duties have been properly segregated.

Issue 5 - Upon review of travel reimbursements, IAD noted the following:

- Seven (7) out of ten (10) instances where the same employee prepared and approved the part 1 form (Request for Estimated Expenses),
- Five (5) out of ten (10) instances were the same employee prepared and approved the part 2 form (Request for Actual Expenses),
- One (1) out of ten (10) instances where department approval was not obtained prior to travel,
- Three (3) out of five (5) instances where Department of Finance and Budget approval was not obtained prior to travel that was estimated to be over $200,
- Two (2) out of four (4) instances where Department of Finance and Budget approval was not obtained on the part 2 form when actual travel expenses were greater than $200.

Upon review of the policies and procedures, IAD noted they have been updated to include travel reimbursements. Additionally, during detail testing, IAD noted two (2) out of five (5) instances where department approval was not obtained prior to the travel date; however, neither of these instances was above the $200 approval threshold for Finance and Budget approval.

Issue 6 - Upon review of payroll approval and sign-off in Kronos for pay periods during the period 12/1/12 – 11/30/13, IAD noted three (3) of eleven (11) pay periods with improper approval (e.g., no approver sign-off, Fiscal Office performing department approval).

Upon review of payroll approvals and sign-offs in Kronos, no exceptions were noted.

Issue 8 - Per discussion with the Chief of Staff, IAD noted that personnel files are not maintained for Council members.

Through observation of personnel files, it was noted that personnel files are maintained for all Council members.

Issue 9 - Upon review of County Council Meeting procedures and meeting minutes, IAD noted three (3) of three (3) instances when a second motion was not obtained prior to entering into Executive Session, in accordance with Rules of Council §10.01.

Upon review of County Council meeting minutes, no exceptions were noted.

Issue 10 - Upon review of the updated ordinance notice maintained on the Codified Ordinance website, IAD noted that the notice does not contain titles of the updated ordinances and other required language (e.g., a complete copy of the Codified Ordinances is on file with the Clerk and the County Law Library and that copies are available at cost), in accordance with Rules of Council §8.09(5).

Upon observation of the Codified Ordinance website, IAD noted that the notice contains the required language.

Issue 11 - Upon discussion with the Chief of Staff, IAD noted that a listing of disposed assets is not maintained by the office, nor are disposed assets maintained on the inventory listing (e.g., marked as disposed).

Upon discussion and through observation, it is noted that disposed assets are being tracked as part of the equipment inventory list.

MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED:

Issue 3 - Upon testing of banner approval queues, IAD noted one (1) County Council employee with the ability to enter and approve requisitions. Additionally, upon detail testing of purchase order requisition approvals in Banner,

IAD noted one (1) out of three (3) instances where the same individual entered and approved the purchase order requisition.

Through review of policies and procedures, IAD noted they have been updated to include segregation of entering and approving requisitions; however, upon detail testing, IAD noted one (1) out of two (2) instances where the same employee entered and approved the requisition in Banner.

Issue 7 - Upon review of personnel file testing, IAD noted the following:

- One (1) out of four (4) instances where an employee file did not include a sign-off for the department personnel policy and procedure manual,
- Four (4) out of four (4) instances where an employee file did not include a sign-off for the department personnel policy and procedure manual,
- One (1) out of four (4) instances where an employee file did not include their resume/application documentation,
- One (1) out of four (4) instances where an employee file did not include a sign-off for the substance abuse policy,
- Three (3) out of four (4) instances where an employee file did not include a sign-off for the County computer and telecommunications policy,
- One (1) out of three (3) instances where an employee file did not include the most recent performance evaluation,
- Two (2) out of four (4) instances where an employee file did not contain a signed declaration regarding material assistance form,
- Four (4) out of four (4) instances where confidential information was not in a separate folder in the employee file.

Upon review of the personnel file checklist and detail testing of personnel files, IAD noted three (3) out of four (4) personnel files that were not complete; however, it is noted that the one file was missing the respective offer letter. Additionally, it was noted that property assignment forms are not maintained for Council members, who are assigned County property.