

**Summit County Executive Office**  
*Human Resources Department*  
**3<sup>rd</sup> Audit Follow-up General Report**

**Prepared For:**

**Russell M. Pry**  
**Audit Committee**

**Approved by Audit Committee**  
**December 29, 2014**



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

*Lisa L. Skapura, Director*  
*Meredith Merry, Deputy Director*  
*Jaime Mayo, Internal Auditor*  
*Brittney Manful, Internal Auditor*  
*Brandon Schmidt, Internal Auditor*  
*Jordan Duncan, Internal Auditor*

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**Auditors:**

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

**Objectives and Methodology:**

To determine if management has implemented their management action plans as stated in the previously issued Preliminary and Follow up Audit reports.

We conducted this follow up 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.

**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 Preliminary and Follow up Audit process.

**Testing Procedures:**

The following were the major audit steps performed:

1. Review the final Preliminary report 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 Preliminary Audit.
3. Review any departmental/agency response documentation provided to IAD with management action plan responses following the Preliminary 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 first Follow up Audit report noting the status of previously noted management actions.

**Summary:**

Of the one (1) issue and the corresponding management action plan which required follow-up, one (1) was not implemented.

Based on the above noted information, IAD believes that the Human Resource Department has made some progress towards the implementation of their corrective management action plans; however, additional work is needed to fully implement the management action plan as stated in response to the issues identified during the preliminary audit. Internal Audit will conduct another follow-up to confirm implementation.

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Listed below is a summary of the issues noted in the Preliminary Audit, First Follow-up Audit Report, and Second Follow-up Audit Report and their status. Each issue number is in reference to the Preliminary Audit report:

**Items Not Requiring Follow-up:**

**Previously Implemented:**

- **Observation 6-** Upon review of the NeoGov system as well as discussion with the Deputy Director of the HRD, IAD noted that access to scanned documents, which may contain confidential information, is not restricted.
- **Issue 1-** The Executive HRD does not have formal written policies and procedures for many administrative processes and day-to-day functions of the department (e.g., expenditures/procurement, Form I-9, etc.). Additionally, there are several policies and procedures that require updating (e.g., incorporating a personnel file checklist into the personnel file policy). Therefore, the HRD is not able to ensure that the administrative processes/work flows are being followed consistently, appropriately, or in accordance with policies.
- **Issue 2-** Upon discussion with the Administrative Assistant, it was noted that the same person places orders, receives the goods ordered and receives vendor invoices causing an improper segregation of duties.
- **Issue 4-** Upon review of the EEO files, there were several instances where IAD was not able to determine the status of the allegations; therefore, making it difficult to determine if the allegations became formal complaints, were still pending, or were dismissed because the allegation did not pertain to discrimination.

**Not Applicable:**

- **Observation 1-** Upon discussion with the Deputy Director of HRD, IAD noted that a policy and procedure manual for the hiring process regarding the NeoGov system does not exist. IAD recognizes that hiring policy is established by Codified Ordinance 169; however, this does not address hiring procedures related to NeoGov including, but not limited to:
  - a. General NeoGov hiring process,
  - b. Making/reviewing overrides,
  - c. Comparison of requisitions to the Staffing Report spreadsheet,
  - d. User addition/removal procedures.
- **Observation 2-** Upon review of the NeoGov training manual, IAD noted several discrepancies between steps in the manual and the actual NeoGov system.
- **Observation 3-** Upon discussion with the Deputy Director of HRD, IAD noted that the addition/removal of users as well as permission changes are initiated verbally.
- **Observation 4-** Upon discussion with the Deputy Director of HRD, IAD noted that a process is currently not in place for the comparison of personnel requisitions to the annual Staffing Report adopted by Council.
- **Observation 5-** Upon discussion with the Deputy Director of HRD as well as observation of the NeoGov “Password Preferences” screen, IAD noted that there is currently no password policy in place for the NeoGov system.

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**Items Requiring Follow-up:**

**Management Action Plans Not Implemented:**

- **Issue 3-** Upon review of seventy employee personnel files selected for detailed testing, IAD noted the following:
  - a. Thirty-two out of seventy personnel files did not contain a Policy and Procedure manual sign-off,
  - b. Five out of twenty-one applicable personnel files did not contain a Declaration of Material Assistance form (the sample size was reduced because the form is only required for employees hired after 4/16/06),
  - c. Six out of thirty applicable personnel files did not contain a Form SSA-1945 (the sample size was reduced because the form is only required for employees hired after 1/1/05),
  - d. Six out of seventy personnel files did not have confidential information segregated.

*IAD met with the Executive Assistant and obtained the personnel file checklist. IAD selected one hundred thirty-six (136) personnel files (20%) and reviewed them to confirm they contained the items listed on the personnel file checklist. IAD noted information properly segregated; however, ninety-six (96) of the one hundred thirty-six (136) personnel files that were incomplete.*

*It is noted that several of the items on the checklist will be incorporated into the HRIS, PeopleAdmin software, scheduled to go live on November 17, 2014; with target implementation dates of January 2015 for performance evaluations and March 2015 for onboarding documents (e.g., asset tracking, exit interviews, etc.).*