

**Summit County**  
*Law Library*  
2<sup>nd</sup> Audit Follow-up General Report

**Prepared for:**

**Alan Canfora**  
**Audit Committee**

**Approved by Audit Committee**  
**June 30, 2015**



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

*Lisa L. Skapura, Director*  
*Meredith Merry, Assistant Director*  
*Brittney Manfull, Staff Auditor*

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**Auditors:**

Lisa Skapura, Director; Meredith Merry, Assistant Director; Brittney Manfull, Staff Auditor

**Objectives and Methodology:**

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

Audit follow-ups 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 thirteen (13) remaining issues and the corresponding management action plans noted in the first audit follow-up report which required follow-up action, nine (9) were fully implemented, one (1) was partially implemented and three (3) were not implemented.

Based on the above noted information, IAD believes that the Akron Law Library (Law Library) has made a positive effort towards implementing the management action plans as stated in response to the issues identified in the prior reports and no further follow up is needed.

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Listed below is a summary of the issues and their status. Each issue number is in reference to the Preliminary Audit Report:

**Items Not Requiring Follow-up:**

**Not Applicable:**

**Issue 9** - Upon detail testing of cash receipts and discussions with the Administrative Assistant, IAD noted that cash receipts are not deposited timely into the Law Library Resources Fund, in accordance with ORC §9.38 and §307.51(D)(4). Additionally, IAD noted the some of the cash receipts are utilized to directly fund a petty cash account.

**Previously Implemented:**

**Issue 6** - Upon detail testing of cash receipts and discussions with the Administrative Assistant, IAD noted that cash receipts are not deposited timely into the Law Library Resources Fund, in accordance with ORC §9.38 and §307.51(D)(4). Additionally, IAD noted the some of the cash receipts are utilized to directly fund a petty cash account.

**Issue 15** - Upon review of payroll approval and sign-off in Kronos for fifteen (15) pay periods in 2013, IAD noted eight (8) pay periods with improper approval (e.g., employee approving their own time with no additional review by a supervisor and an employee in the central payroll office signing off with no review by a Law Library supervisor).

**Issue 16** - Upon review of Law Library Banner accounts and discussion with staff, IAD noted no separate fund account designated for grant funding, making it difficult to monitor the receipt and expending of grant funds. Additionally, upon review of grant transactions and supporting documentation, IAD noted a finance charge assessed for the late payment of an invoice, exceeding the amount designated for the product/service in the grant request.

**Issue 17** - Upon review of the Memorandum of Understanding between the Statewide Consortium of County Law Libraries (SCCLL) and the Law Library, IAD noted that the agreement was not fully executed (e.g., no signature by the Consortium).

**Items Requiring Follow-up:**

**MANAGEMENT ACTION PLANS FULLY IMPLEMENTED**

**Issue 1** - Upon review of the Law Library policies and procedures for completeness and accuracy, IAD noted the following:

- Policies and procedures are not formally approved by management,
- Employee names are referenced (rather than titles),
- Policies and procedures are separately maintained and not consolidated into a comprehensive manual for the department,

All employees did not sign off acknowledging receipt and review of the manual. Additionally, IAD noted no written or insufficient policies and procedures for the following areas:

- Cash handling (collection, petty cash, shortages/overages, mail receipts, etc.)
- Grants administration– policy was received but not noted in the Law Library policy and procedure manual.
- Purchasing/Expenditures
- Physical Security
- Laptop Check-out for Members

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- Contingency Planning

*Upon review of the SCCS policies and procedures, IAD noted that policies and procedures were consolidated and reviewed by the Law Library Resource Board (LLRB), employees' names were not referenced within the manual, and a policy was created for grant administration.*

**Issue 2** - Upon review of the Records Retention Schedule (RC-2) for the Law Library, IAD noted that records pertaining to grant administration were not included.

*Upon review of the Law Library RC-2, IAD noted records pertaining to grant administration were included.*

**Issue 5** - Upon discussion with the Administrative Assistant, it was noted that supervisory approval is not required when voiding a receipt.

*IAD noted no voided receipts for the period 12/1/14 through 5/27/15; therefore, IAD was unable to perform testing. IAD noted a policy in place with regards to the Director's sign-off on voided receipts.*

**Issue 8** - Upon discussion with the Administrative Assistant, it was noted that checks received through the mail are not receipted.

*Upon review of the LLRB meeting minutes, IAD noted the Administrative Assistant policies were approved by the LLRB on November 20<sup>th</sup>, 2014, which included the policy regarding the receipt process of checks.*

**Issue 10** - Upon review of membership status in EOS (membership database), IAD was unable to verify free memberships for thirteen (13) out of fifteen (15) members due to the absence of a membership renewal form. It is noted that per ORC §307.51, a fee is not charged for services provided to public employees.

*Upon review of the annual membership forms, IAD noted no exceptions.*

**Issue 11** - Upon discussion with the Administrative Assistant, it was noted there is currently no process in place to ensure that all annual municipal court payments are received.

*Upon review of the LLRB meeting minutes, IAD noted the Director's Policy and Procedure Manual was approved by the LLRB on April 23<sup>rd</sup>, 2015, which included the policy requiring the Director to monitor Banner accounts for municipal courts' revenues.*

**Issue 13** - Upon discussion with Law Library personnel and review of the process flow chart, IAD noted (1) employee responsible for ordering and receiving supplies and software within the department, creating an improper segregation of duties.

*Upon review of the LLRB meeting minutes, IAD noted the Reference Librarian policies were approved by the LLRB on November 20<sup>th</sup>, 2014, which included the policy regarding ordering/receiving of supplies and software. Upon detail testing of shipping receipts, no issues were noted.*

**Issue 14** - Upon review of leave forms and Kronos timecards for the period 1/1/13 – 7/31/13, IAD noted eleven (11) of sixty-three (63) instances where the leave form was not approved and five (5) of sixty-three (63) instances where the Kronos timecard did not agree to the leave form for the respective date.

*Upon review of the LLRB meeting minutes, IAD noted the Director's Policy and Procedure Manual was approved by the LLRB on April 23<sup>rd</sup>, 2015, which included the policy regarding leave forms.*

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**Issue 18** - Upon detail testing of Law Library procurement card transactions, IAD noted the following:

- Six (6) out of seven (7) instances where the log did not contain proper management approval,
- One (1) out of seven (7) instances where appropriate supporting documentation was not provided,
- One (1) out of seven (7) instances where a purchase was not properly recorded on the transaction log, and therefore management approval was not properly documented.

*Upon review of the LLRB meeting minutes, IAD noted the Reference Librarian policies were approved by the LLRB on November 20<sup>th</sup>, 2014, which included the policy regarding procurement card purchases.*

**MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED**

**Issue 7** - Upon discussion with the Administrative Assistant, it was noted that cash receipts are not reconciled on a daily basis.

*IAD obtained the LLRB Meeting Minutes from the Reference Librarian and noted that the Director's Policy and Procedure Manual was approved by the LLRB on April 23<sup>rd</sup>, 2015, which included the policy regarding daily reconciliation. Per the reconciliation policy, IAD noted that the Director is to be performing daily reconciliations; however, IAD noted that reconciliations are performed by the Administrative Assistant and have not been requested by the Library Director for review.*

**MANAGEMENT ACTION PLANS NOT IMPLEMENTED**

**Issue 3** - Upon discussion with the Administrative Assistant, it was noted that all employees utilize one cash box to maintain cash receipts.

*Upon discussion with the Administrative Assistant and Reference Librarian, IAD noted that one (1) cash box is still being utilized and shared by staff collecting the funds. In addition, there are instances where multiple employees are utilizing the cash box in the same day.*

**Issue 4** - Upon discussion with the Administrative Assistant, it was noted that the Administrative Assistant and Reference Librarian collect cash, reconcile, and make the deposit, creating an improper segregation of duties.

*Upon discussion with personnel, IAD noted the Administrative Assistant collects, reconciles and deposits cash receipts with no review by the Director, as the reconciliations have not been requested by the Director. IAD was unable to confirm this process with the Director due to an extended leave.*

**Issue 12** - Upon review of Akron Law Library expenditures, IAD noted three (3) out of twenty (20) instances where a prior year purchase order was used for payment of an invoice. Per ORC §5705.41 funds must be encumbered prior to incurring an expense.

*Upon discussion with personnel and review of the policy and procedure manuals, IAD confirmed no formal policy was created regarding prior year purchase orders.*