

County of Summit
Veterans Service Commission
1st Audit Follow-up General Report

Prepared For:

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Audit Committee

Approved by Audit Committee
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Summit County
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Auditors:

Lisa Skapura, Director; Meredith Merry, Assistant Director; Jon Keenan, Auditor-in-Charge; Brittney Quinn and Mario Warren, Staff 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 nineteen (19) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Veterans Service Commission (VSC) fully implemented ten (10), partially implemented four (4), and did not implement three (3) management action plans. Two (2) issues/management action plans were no longer applicable.

Based on the above-noted information, IAD believes the VSC 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.

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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 -

- Financial Assistance Manual
 - Manual has not been updated and no evidence of review within the last two years,
 - Staff sign-offs do not exist for the manual,
 - The manual has several duplicate policies as well as sections that are not labeled; therefore, IAD could not determine the completeness of the manual,
- Transportation Manual
 - Manual has not been formally approved by management,
 - Staff sign-offs do not exist for the Transportation Manual.

IAD reviewed the Financial Assistance and Transportation manuals and noted they have been formally approved by the Board within the last two (2) years, staff sign-offs exist and duplicate policies have been removed .

Issue 5 - Upon detail testing of cash receipts and discussion with the Executive Director and Project Manager, IAD noted that a receipt was issued from the VSC receipt book for an unrelated VSC transaction.

Upon detail testing, IAD noted all cash receipts were issued for VSC related transactions.

Issue 6 - Upon detail testing of petty cash receipts, IAD noted two (2) out of three (3) instances where a petty cash request form was not submitted.

Upon detail testing, IAD noted a Petty Cash Requisition Form was completed and approval was obtained.

Issue 8 - Upon review of payroll approval and sign-off in Kronos, IAD noted eight (8) out of eight (8) pay periods with improper approval (e.g., the same employee approving and signing off).

Upon detail testing, IAD confirmed proper segregation of duties was implemented.

Issue 12 - Upon discussion with the Administrative Supervisor, and through detail testing, IAD noted five (5) of five (5) employees whose performance evaluations had not been completed within the past year, in accordance with the VSC Policy and Procedure Manual.

Upon review of personnel files, IAD confirmed annual performance evaluations were completed and documented.

Issue 13 - Upon discussion with VSC personnel, IAD noted limited training over the Human Resource functions (e.g., unaware of updated HR rules and regulations, etc.).

Upon discussion with VSC personnel, IAD confirmed that VSC is utilizing the Executive's Office Human Resource Department (HRD) to keep updated on Human Resource related rules and regulations.

Issue 15 - Upon detail testing, IAD noted that the Systems Administrator is entering/approving vouchers in the eVetAssist system. Per the VSC's Financial Assistance Policy and Procedure manual, only Service Officers and Managers have the ability to enter and approve vouchers. Additionally, the Systems Administrator is the administrator of the system, creating an improper segregation of duties.

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Upon detail testing, IAD noted no instances of the System Administrator approving vouchers.

Issue 16 - Upon detail testing, IAD noted one (1) instance where a client received financial assistance and was not a resident of Summit County for the prior three (3) months, in accordance with financial assistance policies and procedures.

Upon detail testing, IAD noted clients were residents of Summit County for at least three (3) months prior to the issuance of a voucher.

Issue 17 - Upon detail testing, IAD noted one (1) of one (1) instance where case information was not transferred to the physical case file for a duplicate client, creating the appearance that the client was not provided financial assistance.

Upon detail testing, IAD noted physical case files were created for all duplicate clients in the eVetAssist system.

Issue 18 - Upon review of the eVetAssist system, IAD noted instances where an employee's name was utilized to test the functionality of the system, creating inaccurate production data and the appearance of vouchers issued to an employee.

Upon detail testing, IAD noted employee names are not utilized as test clients. Additionally, all prior employees names used for test purposes were removed and replaced with a generic name.

MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED:

Issue 2 – Upon review of VSC policies and procedures, no written or insufficient policies and procedures were noted for the following areas:

- Personal usage of laptops and cell-phones
- Maintaining or disposing of assets (reference to county policy)
- Expenditures
- Reference to County procurement card policy
- Cash receipts
- Petty cash
- Incorporation of leave donation and interaction with the press policies into the Personnel Manual
- Financial assistance claim process for confidential clients in the system (e.g., VSC employees applying for benefits)
- Account Clerk ability to enter and approve medical vouchers in eVetAssist
- Manager and Director approval for claims where income exceeds deficit amount

Upon review of VSC Policy and Procedures Manual, IAD confirmed policies and procedures in place for petty cash, leave donations, Manager and Director approval for claims where income exceeds the deficit amount, personal usage of laptops and cell-phones, reference to County procurement card policy, cash receipts and interaction with the press; however, IAD noted no written or insufficient policies and procedures in the following areas:

- *Maintaining or disposing of assets*
- *Expenditures*
- *Financial assistance claim process for confidential clients in eVetAssist*

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Issue 7 - Upon discussion with the Systems Administrator, IAD noted ordering and receiving of all IT assets is conducted by the same employee who maintains the IT asset inventory listing, creating an improper segregation of duties.

Upon detail testing, IAD noted the ordering and receiving of IT assets is properly segregated; however, a formal policy was not created.

Issue 11 - Upon discussion with the Administrative Supervisor, IAD noted that the VSC does not maintain a checklist of required personnel file documents in each file. In addition, during detail testing of the personnel files, IAD noted five (5) of five (5) files that appeared to be incomplete.

IAD noted VSC implemented a personnel file checklist. However, upon detail testing, IAD noted five (5) out of five (5) instances where the employee's personnel file was incomplete.

Issue 14 - Upon detail testing of the VSC meeting minutes, IAD noted six (6) out of six (6) instances where the Commission votes were not documented in accordance with Robert's Rules of Order. Additionally, IAD noted six (6) out of six (6) instances where executive sessions were not properly defined with appropriate motions, stated purpose, and roll call, in accordance with the Ohio Open Meetings Act.

Upon detail testing, IAD noted six (6) out of seven (7) instances where commission votes were not documented and Executive Sessions were not defined.

MANAGEMENT ACTION PLANS NOT IMPLEMENTED:

Issue 3 - Upon discussion with Administrative Supervisor and Project Manager and detail testing of cash receipts, IAD noted three (3) out of three (3) instances where the receipts were not timely deposited in accordance with ORC §9.38.

Upon detail testing, IAD noted seven (7) out of seven (7) instances where cash receipts were not deposited timely in accordance with ORC §9.38.

Issue 4 - Upon reconciliation of Banner deposits to the cash receipt book, IAD was unable to verify the issuance of \$140 in cash receipts. Additionally, upon discussion with the Project Manager, it was noted that receipts are not issued for funds received via check.

Upon reconciliation of Banner deposits to the cash receipt book, IAD was unable to verify the issuance of one hundred dollars (\$100) in cash receipts. In addition, a policy was not implemented regarding issuing of receipts.

Issue 10 - Upon review of VSC employment eligibility, IAD noted one (1) instance where an employee was hired, under the prior administration, without a qualifying relative. Per ORC §5901.06, only certain relatives (e.g., spouse, surviving spouse, child, or parent of a veteran) can be used to qualify for employment with the VSC.

Upon review of the Summit County and Adams County Prosecutor legal opinions, IAD noted the opinions did not address the employment of an individual that did not have a qualifying relative.

MANAGEMENT ACTION PLANS NOT APPLICABLE:

Issue 9 - During detail testing of the one (1) VSC employee who requested and received donated leave under the leave donation program, IAD noted the following, in accordance with the VSC leave donation Policy:

- One (1) out of one (1) instance where the recipient did not submit a written request
- One (1) out of one (1) instance where the recipient had accrued paid leave at the time of donation.

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Upon discussion with VSC personnel, IAD noted that the leave donation program has not been utilized since the previous audit; therefore, detail testing was not performed.

Issue 19 - Upon detail testing of confidential clients receiving financial assistance, IAD noted one (1) of one (1) instance where financial assistance approval was not documented by the Executive Director.

Upon review of the Hidden Claims Report, IAD noted there were no additional confidential financial assistance cases since the prior audit; therefore, detail testing was not performed.