

Summit County Clerk of Courts
Title Division
1st Audit Follow-up General Report

Prepared For:

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Audit Committee

Approved by Audit Committee
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Summit County
Internal Audit Department
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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 eight (8) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Title Division fully implemented five (5) and partially implemented three (3) management action plans.

Based on the above-noted information, IAD believes the Title Division 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 - Upon review of Title Division policies and procedures for completeness and accuracy, IAD noted policies were last dated as of January 1, 2009, indicating no evidence of management review within the last two (2) years.

Upon review of the Title Division policies and procedures, IAD noted management has reviewed and/or updated all policies within the last two (2) years.

Issue 2 - Upon review of the Title Division policies and procedures, IAD noted insufficient policies regarding the tagging and tracking of non-IT assets.

Upon review of the policies and procedures, IAD noted they have been updated to include tagging and tracking of non-IT assets.

Issue 4 - Upon observation of the deposit preparation at the Green and Northfield branch locations, IAD noted the Office Manager balances his/her own cash drawer, creating an improper segregation of duties.

Upon review of the Title Division policies and procedures, IAD noted segregation of duties regarding balancing the cash drawer has been implemented and disseminated to the employees. In addition, upon observation of the deposit preparation at the Green and Northfield branches, IAD noted proper segregation of duties.

Issue 7 - Upon detail testing of the Title Division's expenditures, IAD noted the following:

- Thirty-three (33) out of thirty-three (33) instances where proper approval for payment of an invoice did not occur.
- Four (4) out of twenty-nine (29) instances where a prior year purchase order was used for payment.

Upon detail testing of Title Division expenditures, IAD noted invoices are properly approved and current year funds are used for current year invoices.

Issue 8 - During detail testing of personnel files, IAD noted confidential information not separately maintained in eight (8) of eight (8) files.

Upon review of Title Division policies and procedures, IAD noted a policy was implemented to redact confidential information.

MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED:

Issue 3 - Upon review of the Records Retention Schedule (RC-2) for Title Division, IAD noted the following records were not included:

- Policies and procedures
- Timesheets
- Leave Forms

Upon review of the Title Division's RC-2, IAD noted that all records were included and have been submitted to the Records Department; however, they have not been approved by the Records Commission.

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Issue 5 - Upon review of the voided inventory control reports, IAD noted there is no documentation of supervisor review.

Upon review of Title Division Policies and Procedures, IAD noted a policy has been implemented requiring supervisory review and approval of the Voided Inventory Control Report; however, upon detail testing of the Voided Inventory Control Reports, IAD noted four (4) out of twenty-one (21) instances where there was no documentation of supervisor review.

Issue 6 - Upon discussion with the Director of Administration, IAD noted that the ordering and receiving function is performed by the Title Division Manager, creating an improper segregation of duties.

Upon discussion and review of the Title Division's policies and procedures, IAD noted that separate employees are designated for the ordering and receiving functions. However, upon detail testing, IAD noted six (6) out of eleven (11) instances where the packaging slip was not maintained; therefore, IAD could not determine proper segregation of duties.