

Summit County Court of Common Pleas
General Division
1st Audit Follow-up General Report

Prepared For:

Honorable Judge Amy Corrigan Jones
Audit Committee

Approved by Audit Committee
June 4, 2018



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Auditors:

Lisa Skapura, Director; Jon Keenan, Deputy Director; Brittney Quinn, Senior Auditor; and Dan Weybrecht, Staff Auditor.

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 fifteen (15) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Court of Common Pleas – General Division (Common Pleas) fully implemented eight (8), partially implemented six (6) and did not implement one (1) management action plan.

Based on the above-noted information, IAD believes Common Pleas 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 performance general audit. Internal Audit will conduct another follow-up audit to confirm implementation.

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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 policy and procedure manuals for completeness and accuracy, IAD noted the following:

- General Division Policy and Procedures Manual
 - The manual has not been formally approved by management.
 - The manual includes incorrect references to legislation.

- Psycho-Diagnostic Policy and Procedures Manual
 - The manual includes incorrect references to legislation.

Upon review of the General Division Policy and Procedures Manual, IAD noted all policies have been formally approved by management and the manual does not include incorrect references to legislation.

Additionally, upon review of the Psycho-Diagnostic Policy and Procedures Manual, IAD noted no incorrect references to legislation.

Issue 2 - Upon review of policies and procedures, IAD noted insufficient policies and procedures over IT asset inventory.

Upon review of policies and procedures, IAD noted a policy has been created over IT asset inventory.

Issue 4 - Upon discussion with Psycho-Diagnostic personnel and review of the Psycho-Diagnostic Billing Policy, IAD noted one employee responsible for invoicing and receiving payments, creating an improper segregation of duties.

Upon review of policies and procedures, IAD noted a policy was created regarding proper segregation of duties over invoicing and receiving payments for the Psycho-Diagnostic Clinic.

Issue 6 - Upon detail testing of Banner expenditures, IAD noted three (3) of twenty-two (22) instances where a prior year purchase order was used for payment.

Per ORC §5705.41, no order involving the expenditure of money shall be made without a certificate of the Fiscal Office (purchase order). In addition, purchase orders may not extend beyond the end of the fiscal year.

Upon detail testing of Banner expenditures, IAD no prior year purchase orders were being used. Additionally, a policy was created noting all purchase orders shall be opened and closed annually.

Issue 8 - Upon discussion with the Special Projects Officer and Director of IT, Common Pleas does not maintain a list of asset disposals (general and IT); therefore, IAD was unable to perform detail testing to verify proper approval of disposed assets (e.g., via Executive Order).

Upon detail testing of General Division and IT disposed assets, IAD noted proper approval was obtained for all asset disposals.

Issue 10 - 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., one employee approving and signing-off or no separate approval), creating an improper segregation of duties.

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Upon review of payroll approval and sign-off in Kronos, IAD noted a proper segregation of duties over the payroll approval and sign-off functions.

Issue 11 - Upon detail testing of evidence inventory, IAD noted three (3) out of five (5) instances where evidence was maintained in the vault; however, the Summit County Online Records System (SCORS) did not denote the same.

Upon detail testing of evidence inventory, IAD noted evidence in the vault agreed to SCORS and had an exhibit list detailing the description of each exhibit. Additionally, a policy was created requiring all evidence placed in the vault shall include an exhibit list detailing the description of each exhibit.

Issue 13 - Upon detail testing of arbitrated cases, IAD noted one (1) of two (2) instances where the report and award was not filed within twenty (20) days after the hearing, in accordance with Local Rule 10.14.

Upon detail testing of 2017 arbitrated cases, IAD noted the report and award was filed within twenty (20) days after the hearing.

MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED:

Issue 3 - Upon detail testing of Psycho-Diagnostic Clinic payments received, IAD noted sixteen (16) of eighteen (18) instances where payments were not timely deposited, in accordance with ORC §9.38.

IAD obtained an updated policy requiring all funds collected to be deposited by the next business day. Upon detail testing of Psycho-Diagnostic Clinic payments received, IAD noted fifteen (15) out of seventeen (17) instances, or 88%, where the payment was not deposited timely.

Issue 5 - Upon review of the jury management fee spreadsheet, IAD noted no tracking for the date payments are received; therefore, detail testing could not be performed to verify timely deposit.

IAD obtained an updated policy requiring all funds collected to be deposited by the next business day. Upon detail testing of jury management fees, IAD noted three (3) out of eleven (11) instances, or 27%, where the payment was not deposited timely.

Issue 7 - Upon discussion with the Administrative Human Resource Specialist, IAD noted no employee specifically assigned to receive purchases. This creates the potential for the same employee to order and receive goods, causing an improper segregation of duties. In addition, IAD noted the packing slip is not signed-off on upon receipt.

IAD obtained an updated policy noting a proper segregation of duties over the ordering and receiving functions. Upon detail testing of supply purchases, IAD noted two (2) out of nine (9) instances, or 22%, where the receiving party did not initial and date the packing slip and seven (7) out of seven (7) instances, or 100%, where a proper segregation of duties did not exist over the ordering and receiving functions.

Issue 9 - Upon detail testing of asset inventory, IAD noted the following:

- Four (4) of twenty-five (25) and eight (8) out of twenty-five (25) instances where IAD was unable to locate the IT and general asset, respectively, in Common Pleas' office areas.
- Four (4) of twenty-five (25) and four (4) of twenty-five (25) instances where the IT and general assets, respectively, located in Common Pleas' offices did not agree to the respective asset inventory listings.

IAD noted policies have been created regarding the tracking of IT assets over \$100.00 and the tracking of general assets over \$1,000.

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Upon detail testing of asset inventory, IAD noted four (4) out of twenty (20) instances where IAD was unable to locate the IT asset in Common Pleas' office areas. Additionally, IAD noted five (5) out of twenty (20) instances where the IT asset located in Common Pleas' offices did not agree to the respective IT asset inventory listings. No issues were noted during the general asset detail testing.

Issue 12 - Upon detail testing and discussion with Assistant Director of Operations, IAD was unable to confirm if the legal education requirement for arbitrators was met, in accordance with Local Rule 10.03 (B). Additionally, upon discussion, it was noted the list of current arbitrators is outdated.

Upon discussion with Common Pleas personnel and review of the Local Rule 10.03 (B), IAD noted the arbitrator's education requirements have been removed from the Local Rule; however, the list of arbitrators is currently being updated and is not complete.

Issue 14 - Upon detail testing of arbitrated cases, IAD noted the following:

- Two (2) out of two (2) instances where IAD could not verify the accuracy of payments made to the arbitrators as a result of insufficient supporting documentation.
- Two (2) out of two (2) instances where a certification of fees form was not completed.

Additionally, IAD noted no policy regarding payments made to arbitrators.

Upon detail testing of 2017 arbitrated cases, IAD noted arbitrators were compensated appropriately and a certification of fees form was completed; however, IAD noted a policy has not been created over the processing of payments to arbitrators.

MANAGEMENT ACTION PLANS NOT IMPLEMENTED:

Issue 15 - Upon discussion, IAD noted a Local Rule has not been adopted, governing appointments made by the court, including procedures to ensure an equitable distribution of appointments among all persons on the appointment list, in accordance with Rules of Superintendence, Rule 8.

Upon discussion with Common Pleas Court personnel, IAD noted a local rule has not been adopted regarding equitable distribution among appointments, in accordance with Rules of Superintendence, Rule 8.