

**Summit County Executive Office**  
*Department of Finance & Budget – Purchasing Division*  
**1st Audit Follow-up General Report**

**Prepared For:**

**Ilene Shapiro**  
**Audit Committee**

**Approved by Audit Committee**  
**September 16, 2019**



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

*Lisa L. Skapura, Director*  
*Jon Keenan, Deputy Director*  
*Mario Warren, Senior Auditor*  
*Dan Weybrecht, Staff Auditor*

**Summit County Executive Office**  
*Department of Finance & Budget – Purchasing Division*  
1<sup>st</sup> Audit Follow-up – General Report

**Auditors:**

Lisa Skapura, Director; Jon Keenan, Deputy Director; Mario Warren, 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 four (4) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Department of Finance & Budget – Purchasing Division (Purchasing Division) fully implemented one (1), partially implemented one (1) and did not implement two (2) management action plans.

Based on the above-noted information, IAD believes the Purchasing Division 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 2** - Upon review of the Records Retention Schedule (RC-2), IAD noted it did not contain all relevant records including, but not limited to, the following:

- Notice of Interest forms for donated property and supporting IRS documentation

*IAD obtained an updated RC-2 and noted the relevant records had been added to the schedule.*

**MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED**

**Issue 1** - Upon review of policies and procedures for completeness and accuracy, IAD noted six (6) out of seventeen (17), or thirty-five percent (35%), policies have not been reviewed and/or updated within the last two (2) years. Additionally, employees are not required to acknowledge receipt and review of the policies.

*IAD obtained five (5) of the six (6) outdated policies, and the corresponding employee acknowledgement forms, during the preliminary audit. However, IAD noted the policy regarding the P-Card program has not been updated.*

**MANAGEMENT ACTION PLANS NOT IMPLEMENTED**

**Issue 3** - Upon detail testing of PO increases/decreases, IAD noted four (4) of twenty-four (24) instances where the change increased the PO over the Board of Control approval threshold (\$5,000); two (2) of the four (4), or fifty percent (50%), did not receive proper approval, in accordance with Codified Ordinance §177.10.

*Based on procedures performed, IAD noted two (2) of fifty (50) instances where the change increased the PO over the Board of Control approval threshold (\$5,000). Of those two, IAD noted two (2) of the two (2), or 100%, instances where the purchase order increases did not receive proper approval by the Board of Control, in accordance with Codified Ordinance §177.10.*

**Issue 4** - Upon detail testing of Declaration of Surplus Inventory forms containing IT surplus, IAD noted nine (9) of twelve (12), or seventy-five percent (75%), instances where the Chief Information Officer's (CIO) signature was not obtained, in accordance with policy and procedure.

*Based on procedures performed, IAD noted six (6) out of seven (7), or 86%, instances where the CIO's signature was not obtained on the Declaration of Surplus Inventory form when IT items were surplus.*