

Summit County Executive Office
Department of Job and Family Services
Budget and Finance
1st Audit Follow-up General Report

Prepared For:

Ilene Shapiro
Audit Committee

Approved by Audit Committee
December 16, 2019



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

Lisa L. Skapura, Director
Jon Keenan, Deputy Director
Brandon Schmidt, Senior Auditor
Amanda Winkelman, Staff Auditor

Summit County Executive Office
Department of Job and Family Services
Budget and Finance
1st Audit Follow-up – General Report

Auditors:

Lisa Skapura, Director; Jon Keenan, Deputy Director; Brandon Schmidt, Senior Auditor; and Amanda Winkelman, 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 six (6) issues and corresponding management action plans noted in the prior audit report which required follow-up action, the Summit County Department of Job and Family Services (DJFS) fully implemented five (5) and partially implemented one (1) management action plans.

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

Summit County Executive Office
Department of Job and Family Services
Budget and Finance
1st Audit Follow-up – General Report

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 discussion with DJFS – B&F personnel, IAD noted employees are not required to acknowledge receipt and review of DJFS – B&F policies and procedures.

Management Action Plan: Policies and Procedures have been updated and/or created. They are stored in a central location and the appropriate areas and personnel will acknowledge review and receipt.

Upon detail testing of employee acknowledgement of receipt and review of DJFS Budget and Finance policies and procedures, IAD noted no issues.

Issue 2: Upon review of policies and procedures, IAD noted insufficient policies and procedures in the following areas:

- Ordering and receiving of goods/initialing packing slips
- Invoicing of providers and contractors
- Voiding of cash receipts
- Manual cash receipts (e.g., when to use manual receipts)
- Modification of cash receipts

Management Action Plan: Policies and Procedures have been updated and/or created. They are stored in a central location and the appropriate areas and personnel will acknowledge review and receipt.

Upon review of DJFS policies and procedures, IAD noted policies and procedures were created for the above processes.

Issue 3: Upon review of the DJFS – B&F Cashier’s Office Cash Receipt Book, IAD noted manual receipts are maintained; however, they are not pre-numbered.

Management Action Plan: Per the updated policy, the Budget & Finance Cashier’s Office has implemented a pre-numbered, 2-part cash receipt book.

IAD noted the use of manual receipts was updated in Cashier’s Office Manual Receipt Policy. Additionally, upon observation, IAD noted that a pre-numbered 2-part cash receipt book is utilized.

Issue 4: Upon detail testing of voided receipts, IAD noted nineteen (19) out of thirty-one (31), or 61%, instances where the reason for the void was not documented and twenty-five (25) out of thirty-one (31), or 81%, instances where supervisor review of the voided receipt was not performed.

Management Action Plan: Per the updated policy, a process was established which requires a supervisor to process any receipt voids. The IT department has adjusted the Cashier Database, which now requires a reason, date, and valid user.

Upon review of DJFS policies and procedures, IAD noted an updated Cashier’s Office Void Receipt Policy was created. Additionally, upon detail testing of void receipts, IAD noted the reason for the void was documented and supervisor review occurred.

Summit County Executive Office
Department of Job and Family Services
Budget and Finance
1st Audit Follow-up – General Report

Issue 6: Upon detail testing of Social Services random moments hits, IAD noted six (6) of thirty-four (34), or 18%, instances where random moment hits were not approved within forty-eight (48) hours in accordance with OAC 5101:9-7-20 (F)(3).

Management Action Plan: Effective 1/2/2018, the Income Maintenance RMS Coordinator was moved to Budget & Finance and assigned responsibility for Social Service RMS hits, in addition to IM. All RMS hits are being reviewed/approved within 48 hours.

Upon detail testing of Social Services random moment hits, IAD noted no issues.

MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED:

Issue 5: Upon sequential order detail testing of cash receipts, IAD noted nine (9) out of two thousand five hundred fifty-three (2,553), or less than 1%, instances where the cash receipt date was modified to a date one (1) to two (2) months from of the date the receipt was created. In addition, upon review of the daily pay-in, IAD could not confirm the deposit of two (2) receipts that had been modified. It was noted that the discrepancy in the reconciliation to pay-in was not investigated.

Management Action Plan: A policy was created addressing the modification of receipts. This includes supervisor review/approval of modifications and daily reconciliations of receipts to pay-ins. Any discrepancies will be investigated.

Upon review of DJFS policies and procedures, IAD noted an updated Cashier's Modification of Cash Receipt Policy was created.

Upon detail testing of modified cash receipts, IAD noted four (4) out of four (4), or 100%, instances where reason for the modification and the supervisor review was not documented.