Summit County Executive Office
Asset Inventory
Audit Follow-up General Report

Prepared For:

Ilene Shapiro
Audit Committee

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

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

Summit County Executive Office
Asset Inventory
1st Audit Follow-up – General Report

Auditors:

Lisa Skapura, Director; Jon Keenan, Assistant 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 three (3) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Executive Office fully implemented one (1), partially implemented one (1) and did not implement one (1) management action plans.

Based on the above-noted information, IAD believes the Executive Office 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.

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 the Executive's Office Inventory and Fixed Asset policy and procedure, all assets valued at $250 or more are tracked in the Asset Inventory listing in SharePoint; however, upon discussion with the Senior Administrator, IAD noted that items under $250 are currently included in SharePoint and have not been removed. In addition, upon discussion with the Senior Administrator, and observation of the asset inventory listing in SharePoint, IAD noted monetary values are not assigned to assets entered into SharePoint upon purchase; therefore, IAD could not determine which assets were above the $250 threshold.

Management Action Plan: A value shall be assigned to all assets currently tracked in the Executive's Furniture, Equipment and Asset Tracking System. All new Furniture, Equipment and Assets purchased will have their purchase prices recorded and will be depreciated per the Executive's STANDARD OPERATING POLICY AND PROCEDURES for FURNISHINGS, EQUPMENT AND ASSET TRACKING. Effective Date: 3/17/17

> *IAD obtained the updated Executive Office's Standard Operating Policy and Procedures for Furnishings, Equipment and Asset Tracking and noted the updated policy and procedure is consistent with the current operating procedures.*

MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED:

Issue 3 - Upon detail testing of the Department of Job and Family Services (DJFS) asset inventory, IAD noted twenty-one (21) of eighty (80) instances, or twenty-six percent (26%), where the asset could not be located. Additionally, IAD noted ten (10) of eighty (80) instances, or thirteen percent (13%), where an asset was disposed via an Executive Order; however, the Asset Inventory System was not updated to denote the same.

Management Action Plan: DJFS will conduct annual physical inventories in accordance with the Executive's STANDARD OPERATING POLICY AND PROCEDURES for FURNISHINGS, EQUIPMENT AND ASSET TRACKING. Effective Date: 3/17/17. In addition, disposed, transferred, and surplused items will be carefully tracked to ensure the inventory of assets is complete and accurate.

> *Upon detail testing of the DJFS asset inventory, IAD could not locate four (4) out of forty-five (45), or 9%, assets (e.g., computers, IPhone & chair).*

MANAGEMENT ACTION PLANS NOT IMPLEMENTED:

Issue 2 - Upon detail testing of the Executive Office's (except Department of Sanitary Sewer Services & Department of Job and Family Services) asset inventory, IAD noted the following:

- One hundred five (105) of six hundred sixty-two (662) instances, or sixteen percent (16%), where the asset could not be located.
- Four (4) of eighty-six (86) instances, or eight percent (5%), where the asset selected in the field could not be located on the asset inventory listing.
- Eight (8) of sixteen (16) instances, or fifty percent (50%), where an asset was purchased; but not added to the SharePoint asset inventory listing.
- Ten (10) instances where an asset was disposed via Executive Order; however, the asset inventory listing was not updated to denote the same.

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Management Action Plan: The Executive's office will conduct a physical inventory in 2017 per the Executive's STANDARD OPERATING POLICY AND PROCEDURES for FURNISHINGS, EQUPMENT AND ASSET TRACKING. Effective Date: 3/17/17

Of the (105) items not found by IAD:

(62)   Items should not have been in the system for inventory tracking, because they had a value of $250 or less when entered into the system.

(26)   The new Office of Information Technology that was established in 2016, swapped out computers with various departments and did not understand the need for executive orders to authorize the transfers. As of the time of this MAP, OIT has identified 9 of the 26 items in question. Executive orders will be done to transfer this equipment to OIT.

(6)   Items had Executive orders and the inventory system has been updated to remove them per EO.

(5) Items were leases and turned in and the inventory system has been updated to remove them. No Executive order should have been done, they should of not of been in the system.

(6) Items were found and in a different location and the correction has been updated in the inventory system to reflect the change

> *Upon detail testing of the Executive Office's asset inventory, IAD noted the following:*
>
> - *Thirty-three (33) out of one hundred one (101), or 33%, assets that could not be located.*
> - *Eight (8) out of twelve (12), or 67%, instances where an asset was purchased over the $1,000 monetary threshold to be entered into SharePoint asset inventory listing; however, it was not added.*