

**County of Summit**  
*Fiscal Office – Recorder Division*  
**1<sup>st</sup> Audit Follow-up General Report**

**Prepared For:**

**Kristen Scalise**  
**Audit Committee**

**Approved by Audit Committee**  
**September 23, 2020**



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

*Lisa L. Skapura, Director*  
*Jon Keenan, Assistant Director*  
*Brittney Quinn, Senior Auditor*  
*Mario Warren, Senior Auditor*

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**Auditors:**

Lisa Skapura, Director; Jon Keenan, Assistant Director; Brittney Quinn, Senior Auditor and Mario Warren, Senior 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 seven (7) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Recorder Division fully implemented five (5) and partially implemented one (1) management action plans. One (1) management action plan was no longer applicable.

Based on the above-noted information, IAD believes the Recorder 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 discussion with Recorder Division personnel, IAD noted that employees are not required to acknowledge receipt and review of Recorder Division policies and procedures.

**Management Action Plan:** Going forward, the Recorder Division will continue to ensure that all employees execute a sign-off, acknowledging their receipt and review of policies and procedures of the Recorder Division.

*Upon detail testing of employee policy and procedure sign-offs, IAD noted no issues.*

**Issue 2:** Upon review of policies and procedures, IAD noted insufficient or outdated policies and procedures for the following areas:

- Escrow process
- Recording and receipting of documents during outages

Additionally, IAD noted that the cash handling policy was updated; however, it was not disseminated to Recorder Division employees.

**Management Action Plan:** Recorder Division will continue to ensure that an escrow process and recording and receipting of documents during outages is maintained and updated within the policy and procedure manual.

*IAD obtained updated policies regarding the escrow process and the recording and receipting of documents during outages. Additionally, IAD noted no issues during detail testing of policy and procedure sign-offs.*

**Issue 3:** Upon detail testing of cash receipts, IAD noted six (6) out of nine (9) instances, or 67%, where the same employee receipted cash and performed the daily reconciliation, creating an improper segregation of duties.

**Management Action Plan:** Recorder Division has assigned different employees to the receipting and reconciling functions of cash and will update the policy and procedures manual accordingly. Training for these employees began September 6, 2018.

*IAD obtained updated policy regarding the segregation of duties over the receipting and reconciling functions of cash. Additionally, IAD noted no issues during detail testing of cash receipts.*

**Issue 5:** Upon discussion with Recorder Division personnel, IAD noted a two (2) part manual receipt book is not utilized to document receipt of revenue in the event of a system outage.

**Management Action Plan:** Recorder Division will incorporate a two (2) part manual receipt book to document the receipt of revenue in the event of a system outage. This will be incorporated into the Recorder Division policies and procedures manual by February 1, 2019.

*IAD obtained supporting documentation to ensure the existence of a two (2) part manual receipt book utilized by the Recorder Division. In addition, IAD obtained an updated policy and procedure regarding the use of the two (2) part manual receipt book.*

**Issue 7:** 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., no employee from the Recorder Division signing off or approving payroll and no back-up for department approvers), creating an improper segregation of duties.

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**Management Action Plan:** Approval for overtime, with regard to payroll, will be signed off by the supervisor with specific knowledge of an employee's hours, even if said supervisor is not someone specifically within the Recorder Division.

*Upon detail testing of payroll approvals and sign-offs in Kronos, IAD noted no issues.*

**MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED:**

**Issue 4:** Upon detail testing of voided receipts, IAD noted twenty-two (22) out of forty-four (44) instances, or 50%, where the same supervisor that created the void also approved the void, creating an improper segregation of duties.

**Management Action Plan:** Recorder Division has assigned different employees to the input and approving functions of voids and will update the policy and procedures manual accordingly.

*Upon detail testing of voided receipts, IAD noted fifteen (15) out of twenty-seven (27) instances, or fifty-six percent (56%), where an improper segregation of duties occurred (e.g., same employee entered and voided the receipt).*

*Additionally, IAD obtained an updated Voided Receipts Policy and noted the policy requires that any employee voiding a transaction must get a different employee to approve the void.*

**MANAGEMENT ACTION PLANS NOT APPLICABLE:**

**Issue 6:** Upon discussion with the Recorder Division and Office of Information Technology (OIT) personnel, IAD noted that Recorder Division IT assets are not tracked.

**Management Action Plan:** The Fiscal Office as a whole will create an IT Asset list to track said assets, which will be reviewed and updated annually. This will be incorporated into the Procedures Manual for the Summit County Fiscal Office by February 1, 2019.

*IAD noted the tracking of IT assets for the Fiscal Office is now the responsibility of the Fiscal Office Payroll Department. IAD noted an audit of the Fiscal Office IT assets will be performed within the next few quarters. Therefore, IAD deems this management action plan not applicable.*