

County of Summit
Executive's Office – Human Resource Department
1st Audit Follow-up General Report

Prepared For:

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Audit Committee

Approved by Audit Committee
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Summit County
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Auditors:

Lisa Skapura, Director; Jon Keenan, Assistant Director; Brittney Quinn, Senior Auditor and Mario Warren, Senior Lead Auditors.

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 thirteen (13) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Executive's Office – Human Resource Department (HRD) fully implemented two (2), partially implemented four (4), and did not implement four (4) management action plans. Three (3) management action plans were no longer applicable.

Based on the above-noted information, IAD believes the HRD 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 3: Upon detail testing of the employee new hire requisition and promotion approval process, IAD noted three (3) out of thirteen (13), or 23%, employee new hires and eight (8) out of sixteen (16), or 50%, promotions, where the Chief of Staff's approval was not formally documented (e.g., a verbal approval was obtained), in accordance with the policy and procedure.

Management Action Plan: In documenting policy for hiring/promotion a step will be included requiring written approval of Chief of Staff. Will explore making that a step in PeopleAdmin.

Upon detail testing of new hires and employee promotions, IAD noted no issues. IAD noted the policy was implemented requiring written approval of the Chief of Staff.

Issue 10: Upon detail testing of required County training for Executive Office employees, IAD noted the following:

- Fourteen (14) out of thirty-seven (37), or 38%, instances where substance abuse training was not completed.
- Fifteen (15) out of thirty-five (35), or 43%, instances where diversity training was not completed.
- Fifteen (15) out of fifty-three (53), or 28%, instance where sexual harassment training was not completed.
- Three (3) out of eight (8), or 38%, instances where supervisor substance abuse training was not completed.

Management Action Plan: In completing procedures for HRD, a procedure will be established to ensure that twice a year directors have a listing of mandatory trainings completed and not completed by employees under their charge.

A sample of Executive Office employees was selected and detail testing was performed to ensure mandatory trainings were completed. No issues were noted.

MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED

Issue 1: Upon review of the Executive Office Policy and Procedure Manual and the HRD Process Manual for completeness and accuracy, IAD noted the manual has not been updated/revised within the last two (2) years.

Management Action Plan: Complete an updated Policy Manual for the Executive's Office.

Upon review of the Executive Office Policy Manual, HRD process manual and discussion with HR personnel, IAD noted revisions have been made to the manual; however, it is not complete.

Issue 4: Upon detail testing of purchase order requisitions, IAD noted two (2) out of five (5) instances, or 40%, where a HRD employee was not approving purchase order requisitions in Banner.

Corrective Action Taken Prior to the End of Fieldwork: IAD noted the Director of HR now has the ability approve requisitions in Banner.

Management Action Plan: In completing procedures for all functional areas of HRD, a procedure will be established that requires Banner approval by the Director of HRD.

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A sample of purchase order requisitions was selected and detail testing was performed to ensure proper approval was obtained. IAD noted no issues.

Upon discussion with the HRD, IAD noted that a policy over director approval has not been created.

Issue 7: Upon discussion with HRD personnel, IAD noted quarterly personnel file audits are not performed, in accordance with the personnel file audit policy.

Management Action Plan: The personnel file audit will be completed quarterly and documented on a log which includes the name of the employee whose file was audited, the date the audit was conducted and the HRD staff member who conducted the audit. The logs will be kept in a binder located in the file room. The procedure will be updated to include the log.

Upon review, IAD noted quarterly personnel file audits are being performed and documented by HRD.

Upon discussion with the HRD, IAD noted that a policy over quarterly personnel file audits has not been created.

Issue 9: Upon detail testing of personnel files, IAD noted the following:

- Thirteen (13) of seventy-one (71), or 18%, instances where an employee personnel file appeared to be incomplete, per the Personnel File Checklist.
- Thirty (30) of fifty-six (56) instances, or 54%, where an annual performance evaluation was not performed for classified employees for the period 1/1/16 – 12/31/16, in accordance with Summit County Codified Ordinance §169.17.

Management Action Plan: HRD will conduct a comprehensive audit of personnel files, and where the file is incomplete will ensure that all required items from the checklist have been included in the file.

With respect to performance evaluations, HRD will determine whether a report can be produced from PeopleAdmin to track completion of evaluations. If a report can be produced, then a procedure will be established to notify supervisors of incomplete evaluations.

Upon detail testing of employee personnel files, IAD noted thirty-nine (39) out of fifty-five (55), or 71%, instances where the performance evaluation was not completed timely. IAD noted no issues with personnel file documentation.

IAD confirmed email notifications are being sent by HRD to department supervisors, notifying them of upcoming performance evaluation due dates.

MANAGEMENT ACTION PLANS NOT IMPLEMENTED

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

- Purchasing Process (e.g., process outdated, references old personnel titles);
- Expenditures Process (e.g., process outdated, references old personnel titles, Two (2) p-card holders listed instead of one (1));
- EEO policy in the Executive Office Manual is outdated;
- Compensatory Time process (e.g., compensatory forms, compensatory approvals, etc.);
- Hiring & Promotion Policy (e.g., approvals include Executive; however, this is not being performed);
- E-Checks governed by the Ohio Environmental Protection Agency (EPA).

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Management Action Plan: Complete an updated Procedure Manual for the HR department that covers all areas mentioned in the audit and that includes all functional areas and updated titles and areas of responsibility.

Upon discussion with HRD personnel, IAD noted that the policies noted were not created.

The e-check process is no longer the responsibility of the HRD.

Issue 5: Upon detail testing of purchases, IAD noted nine (9) of ten (10) instances, or 90%, where IAD could not determine proper segregation of duties over the purchasing and receiving process because the packing slip was not initialed.

Management Action Plan: In completing procedures for the functional areas of HRD, the duties of ordering materials and receiving them in will be performed by separate positions. The policy will include a requirement that the person performing the receiving procedure will initial the packing slip of each order to ensure all items were received. If there is no packing slip that person will send an email to his/her supervisor indicating all items ordered were received. The title of each individual involved in these processes will be noted in the procedure.

Upon detail testing of purchases, IAD noted four (4) out of six (6) instances, or 67%, where the packing slip was not initialed.

Upon discussion with the HRD, IAD noted that a policy over purchasing and receiving segregation of duties has not been created.

Issue 6: Upon detail testing of Banner expenditures, IAD noted the following:

- Five (5) out of twenty-four (24), or 20%, instances where the invoice was not properly approved for payment (e.g., no Director approval).
- Two (2) out of eleven (11), or 18%, instances where the invoice date was prior to the purchase order date.

Per ORC §5705.41, no order involving the expenditure of money shall be made without a certificate of the Fiscal Office (purchase order).

Additionally, IAD noted a policy and procedure was not created over the invoice approval process.

Management Action Plan: In completing procedures for all of the functional areas of HRD, a comprehensive procurement procedure will be documented that ensures each step of section 177 of the codified ordinances is properly observed and the title of the position responsible for completing each step is included.

Upon detail testing of expenditures, IAD noted the following

- *Eleven (11) out of eleven (11) instances, or 100%, where the invoice was not properly approved for payment (e.g., Director approval occurred after the payment),*
- *Two (2) out of eleven (11) instances, or 18%, where the invoice date was prior to the purchase order date.*

Upon discussion with the HRD, IAD noted that a comprehensive procurement policy has not been created.

Issue 8: Upon discussion with HRD personnel, IAD noted employees are not notified when someone requests to review their personnel file. Additionally, IAD noted a tracking mechanism to track the viewing of personnel files is not being utilized.

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Management Action Plan: In completing an updated Procedure Manual for the HRD, a communication and tracking mechanism will be devised to notify the employee and to record the personnel file review.

Upon discussion with HR personnel, IAD noted policies and procedures regarding this area are currently in progress and have not yet been completed. Additionally, a tracking mechanism has not yet been implemented.

MANAGEMENT ACTION PLANS NOT APPLICABLE

Issue 11: Upon detail testing of Equal Employment Opportunity (EEO) complaints, IAD noted two (2) out of two (2) instances, or 100%, where an Executive Office EEO complaint investigation resulted in probable cause, however, the employee the complaint was filed against was not disciplined in accordance with Summit County Codified Ordinance §169.21 (c).

Corrective Action Taken Prior to the End of Fieldwork: IAD noted disciplinary action was filed against one (1) employee where an EEO complaint investigation resulted in probable cause.

Management Action Plan: In completing procedures for HRD, a procedure will be established to document the results of a recommendation of discipline upon a recommendation by the EEO officer.

The EEO area has been moved from the HRD to the Human Resource Commission; therefore, this management action plan is no longer applicable.

Issue 12: Upon detail testing of EEO complaints, IAD noted one (1) out of seven (7) appointing authorities, or 14%, where EEO complaints were not investigated by the HRD EEO Compliance Officer, in accordance with County Codified Ordinance §169.21 and §169.01 and Article III, Section 3.03(10) of the Summit County Charter.

Management Action Plan: Upon modification of section 115.03 of the codified ordinances, when completing procedures for HRD, a procedure will be established whereby any EEO complaint not investigated by the EEO Compliance Administrator will be conducted by a pre-determined person/position (e.g. a complaint from the Sheriff's office will be investigated by their internal affairs investigator).

The EEO area has been moved from the HRD to the Human Resource Commission; therefore, this management action plan is no longer applicable.

Issue 13: Upon discussion and detail testing of the EEO process, IAD noted intergovernmental agreements are not maintained for EEO complaint and investigative services provided by the EEO Compliance Officer to entities outside of Article III, Section 3.03(10) of the Summit County Charter (e.g., Veteran Service Commission, Juvenile Court, etc.).

Management Action Plan: Upon modification of section 115.03 of the codified ordinances, a standard agreement will be developed for use when the EEO Compliance Administrator is conducting an EEO investigation for a non-charter office. In completing procedures for HRD, a procedure will be developed for taking in such investigations, ensuring that an agreement is completed prior to the investigation being conducted.

The EEO area has been moved from the HRD to the Human Resource Commission; therefore, this management action plan is no longer applicable.