

**Summit County Executive Office**  
*Department of Job & Family Services – Contracts &  
Administration Services Divisions*  
**1<sup>st</sup> Audit Follow-up General Report**

**Prepared For:**

**Ilene Shapiro  
Audit Committee**

**Approved by Audit Committee  
December 13, 2022**



**Summit County  
Internal Audit Department  
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*Lisa L. Skapura, Director  
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**Auditors:**

Lisa Skapura, Director; Jon Keenan, Assistant Director; Brandon Schmidt, Senior Lead Auditor; and Amanda Winkelman, 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 Department of Job & Family Services (DJFS) – Contracts & Administration Services Divisions fully implemented seven (7) management action plans.

Based on the above-noted information, IAD believes the DJFS - Contracts & Administration Services Divisions have 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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It was noted that between the audit and audit follow-up, the divisions name changed from Legal & Administrative Services to Contracts & Administrative Services.

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 – Legal Division personnel, IAD noted employees are not required to acknowledge receipt and review of DJFS – Legal Division policies and procedures.

**Management Action Plan:** As noted in the report, corrective action was taken prior to the end of fieldwork. Policy and Procedure Acknowledgement Forms for the DJFS – Legal Policy and Procedure Manual were received from all 5 DJFS Legal employees.

*Upon detail testing of the Contracts Policy and Procedure Manual sign-offs, IAD noted no issues with policy and procedure acknowledgments.*

**Issue 2:** Upon review of the DJFS – Legal Division Policy and Procedure Manual for completeness and accuracy, IAD noted the following:

- The manual has not been updated/revised within the last two (2) years.
- The manual has not been formally approved by management.

**Management Action Plan:** A complete review of DJFS – Legal Policy and Procedures Manual is being completed. Current policies and procedures will be approved by management. Upon formulation of new policies or to the extent changes are made, they will be properly adopted and signed by management.

*Upon review of the DJFS Contract Services Policy and Procedure Manual, IAD noted the Contract Services Manual has been formally approved by management.*

**Issue 3:** Upon discussion with DJFS – Administrative Services personnel, IAD noted employees are not required to acknowledge receipt and review of the following Policy and Procedures Manuals set forth by the DJFS – Administrative Services Division:

- Investigations Manual
- Mail Processing Manual
- Child Care Manual
- Child Care Overpayment Manual
- Hearings Manual

**Management Action Plan:** All DJFS – Administrative Services personnel will be given new copies of all policies/manuals and will be required to acknowledge review and receipt.

*Upon detail testing of Policy and Procedures Manuals set forth by the DJFS – Administrative Services Division, IAD noted no issues.*

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**Issue 4:** Upon review of DJFS – Administrative Services Policy and Procedures Manuals, IAD noted the following have not been formally approved by management:

- Investigations Manual
- Mail Processing Manual
- Child Care Manual
- Child Care Overpayment Manual
- Hearings Manual

**Management Action Plan:** A complete review of DJFS – Administrative Services Policy and Procedures Manual is being completed. Current policies and procedures will be approved by management. Upon formulation of new policies or to the extent changes are made, they will be properly adopted and signed by management.

*Upon review of the DJFS Administrative Services Policy and Procedure Manual, IAD noted the following areas have been formally approved by management:*

- *Investigations Manual*
- *Mail Processing Manual*
- *Child Care Manual*

*Upon discussion with DJFS personnel, IAD noted the Child Care Overpayment Manual was moved under the Investigations Manual and the Hearings Manual was moved under a different division within the DJFS. Therefore, IAD noted no issues.*

**Issue 5:** Upon detail testing of DJFS – Legal Division contracts, IAD noted two (2) out of four (4) instances, or 50%, where the contract template included incorrect references to legislation.

**Management Action Plan:** As noted in the report, corrective action was taken prior to the end of fieldwork. DJFS – Legal Division provided updated contract templates with the corrected legislative reference information.

*Upon detail testing of DJFS – Contracts Division contracts, IAD noted contract templates contained correct legislative reference information.*

**Issue 6:** Upon detail testing of DJFS – Legal Division contracts, IAD noted the following:

- Six (6) out of thirteen (13) instances, or 46%, where a DUNS (Data Universal Numbering System) search was not performed.
- One (1) out of thirteen (13) instances, or 8%, where a “debt subject to offset” was discovered on an entity’s DUNS search and correspondence with the entity regarding the discovery was not made by the DJFS – Legal Division.

**Management Action Plan:** DJFS – Budget and Finance, as well as DJFS – Contract Administration personnel will ensure that a DUNS search is completed prior to final execution of any sub-recipient, contractor or vendor agreement. Any negative result (e.g. findings for recovery) will be addressed with the provider by DJFS – Contract Administration personnel and the explanation will be documented (including providing proof of the resolution) as well as any rationale for proceeding with the agreement. These procedure changes will also be included in the DJFS – Legal Policy and Procedures Manual.

*Upon detail testing of DJFS – Contracts Division contracts, IAD noted DUNS searches were performed and each DUNS did not contain a discovery.*

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**Issue 7:** Upon detail testing overpayment cases, IAD noted the following:

- Four (4) out of thirty-eight (38) instances, or 11%, where Forms 7095 and 7424 were not signed by the appropriate parties for applicable overpayment cases.
- Two (2) out of forty-one (41), or 5%, instances where an overpayment was established; however, the client was not placed on a repayment agreement.

**Management Action Plan:** As noted in the report, corrective action was taken prior to the end of fieldwork. Signed 7095 and 7424 were provided by DJFS – Administrative Services as well as confirmation of cases with overpayments having an established payment agreement.

*Upon detail testing of overpayment cases, IAD noted Forms 7095 and 7424 were executed and clients were placed on a repayment agreement, when applicable.*