

County of Summit
Fiscal Office – Services Division
1st Audit Follow-up General Report

Prepared For:

Kristen Scalise
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
Brittney Quinn, Senior Lead Auditor
Amanda Winkelman, Senior Auditor

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Auditors:

Lisa Skapura, Director; Jon Keenan, Assistant Director; Brittney Quinn, 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 five (5) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Fiscal Office – Services Division (Services Division) fully implemented four (4) and did not implement one (1) of the management action plans.

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

County of Summit
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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 review of policies and procedures, IAD noted insufficient policies and procedures over the process of valuing a manufactured home when ownership is transferred.

Corrective Action Taken Prior to the End of Fieldwork: IAD obtained policy and procedure addressing the process of valuing a manufactured home when ownership is transferred.

Management Action Plan: The policies and procedures addressing the process of valuing a manufactured home when ownership is transferred were implemented.

Upon review of the Fiscal Office Services Division Policy and Procedure Manual, IAD noted a policy regarding the process of valuing a manufactured home when ownership is transferred has been implemented. Additionally, the policy has been reviewed and signed off by all applicable employees.

Issue 2: Upon detail testing of deposits, IAD noted three (3) out of twenty-four (24), or 13%, instances where an improper segregation of duties existed when preparing the deposit (e.g., same employee was collecting cash and also preparing the deposit).

Management Action Plan: The segregation of the cash collection and deposit process has been implemented. Two employees will always be involved.

Upon detail testing of deposits, IAD noted proper segregation of duties was maintained over the deposit process.

Issue 3: Upon detail testing of classified employee performance evaluations, IAD noted three (3) out of eight (8) instances, or 38%, where the 2018 performance evaluation was not completed timely, in accordance with Summit County Codified Ordinance §169.17.

Management Action Plan: Employee evaluations will be performed in a timely manner.

Upon detail testing of classified employees, IAD noted all employees received an annual performance evaluation timely.

Issue 5: Upon detail testing of massage establishments, IAD noted ten (10) out of ten (10), or 100%, instances where a Summit County Massage Permit was not issued to establishments practicing massage therapy services in Summit County, in absence of a State of Ohio issued license to practice massage therapy services, in accordance with Summit County Codified Ordinance §749.21.

Corrective Action Taken Prior to the End of Fieldwork: IAD obtained a policy and procedure addressing the monitoring of establishments providing massage therapy services in Summit County.

Management Action Plan: The policies and procedures addressing the monitoring of establishments providing massage therapy services in Summit County were implemented.

Upon review of the Fiscal Office Services Division Policy and Procedure Manual, IAD noted a policy regarding the monitoring of establishments providing massage therapy services in Summit County has been implemented. Additionally, the policy has been reviewed and signed off by all applicable employees. Upon discussion with Services Division personnel and review of the Massage Parlor Log, IAD noted monitoring is occurring on a monthly basis.

County of Summit
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MANAGEMENT ACTION PLANS NOT IMPLEMENTED

Issue 4: Upon discussion with Services Division personnel and detail testing, IAD noted a tax lien is not being enforced on manufactured homes that are delinquent on their taxes, in accordance with Ohio Revised Code (ORC) §4503.06(H)(3).

Corrective Action Taken Prior to the End of Fieldwork: IAD obtained policy and procedure addressing the enforcement of a tax lien on manufactured homes with delinquent taxes.

Management Action Plan: The policies and procedures addressing the enforcement of a tax lien on manufactured homes with delinquent taxes were implemented.

IAD noted the policy addressing the enforcement of a tax lien on manufactured homes with delinquent taxes has been removed from the Fiscal Office Services Division Policy and Procedure Manual. Additionally, upon discussion with Fiscal Office personnel, IAD noted the Services Division will continue to work on collection efforts; however, the tax liens will not be enforced. Fiscal Office personnel will work with the Ohio Treasurer’s Association to determine if a legislation change can be made relating to lien process noted in ORC §4503.06(H)(3).