

County of Summit
Executive's Office – Human Resource Department
2nd Audit Follow-up General Report

Prepared For:

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Audit Committee

Approved by Audit Committee
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Auditors:

Lisa Skapura, Director; Jon Keenan, Assistant Director; Brittney Quinn, Senior Auditor and Amanda Winkelman, Senior 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 eight (8) 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 five (5) and partially implemented three (3) management action plans.

Based on the above-noted information, IAD believes the HRD 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:

ISSUES NOT REQUIRING FOLLOW UP:

Previously 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.

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.

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).

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.

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.).

ISSUES REQUIRING FOLLOW UP:

MANAGEMENT ACTION PLANS FULLY 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.

IAD 2nd Follow-up Comments: *IAD obtained the HRD process manual and noted that following policies have been implemented:*

- *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))*
- *Compensatory Time process (e.g., compensatory forms, compensatory approvals, etc.)*
- *Hiring & Promotion Policy (e.g., approvals include Executive; however, this is not being performed)*

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.

IAD 2nd Follow-up Comments: *IAD obtained the HRD process manual noted the policy has been updated to include requisition approvals by the Director or designee.*

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 receipting 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.

IAD 2nd Follow-up Comments: *IAD obtained the HRD process manual and noted the policy has been updated to include a proper segregation of duties over the ordering and receiving functions. IAD performed detail testing over merchandise/supply purchases to ensure a proper segregation of duties, no issues were noted.*

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.

IAD 2nd Follow-up Comments: *IAD obtained the HRD process manual and noted the policy has been updated to include the quarterly personnel file audits and where the documentation from the audits shall be maintained.*

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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.

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.

IAD 2nd Follow-up Comments: *IAD obtained the HRD process manual and noted the policy has been updated to include that a log be maintained for requests to review employee personnel files. Additionally, IAD obtained the log that tracks requests to review employee personnel files.*

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.

IAD 2nd Follow-up Comments: *IAD obtained the HRD process manual and noted that all policies have a review/revision date of 3/28/23. IAD noted employee acknowledgements of the HRD process manual have been obtained.*

IAD obtained the Executive Office Policy and Procedure Manual and noted the policy has an overall review date of 1/21/22. IAD performed detail testing to ensure Executive's Office departments have signed off acknowledging the manual. No issues noted.

Additionally, upon discussion with HRD personnel, IAD noted the HRD process manual has not been disseminated to staff; therefore, detailed testing of sign offs could not be performed.

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.

IAD 2nd Follow-up Comments: *IAD obtained the HRD process manual and noted it has been updated to include a proper segregation of duties over the order and receiving functions and that documentation will be maintained. Additionally, the manual notes that invoices shall be approved by the Director or designee.*

IAD performed detail testing over invoices to ensure they were properly approved for payment and purchase orders were opened prior to the invoice. Upon detail testing, IAD noted six (6) out of fourteen (14) instances, 43%, where the invoice date was prior to the purchase order date. No other issues were noted.

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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.

IAD 2nd Follow-up Comments: *IAD obtained the HRD process manual and noted it was updated to include the procedure of notifying department directors of completing staff performance evaluations. Detail testing was performed to ensure a current performance evaluation has been performed timely. IAD noted nineteen (19) out of forty-two (42), or 45%, instances where a performance evaluation was not performed timely.*