



SUMMIT COUNTY, OHIO

INTERNAL AUDIT DEPARTMENT

May 7, 2008

Sherri Bevan Walsh
Summit County Prosecutor
53 University Avenue
7th floor
Akron, Ohio, 44308-1680

Edward J. Harshbarger
Director
Summit County CSEA
175 South Main St, 5th Floor
Akron, OH 44308

Dear Prosecutor Walsh and Mr. Harshbarger:

Attached are the draft results of the Follow-up Audit regarding the issues that were identified in the Summit County Prosecutor's Office: Child Support Enforcement Agency (CSEA) Preliminary Audit report dated 12/19/06.

Follow up Audit Summary

The primary focus of this follow up was to provide the Summit County Prosecutor's Office: Child Support Enforcement Agency with reasonable assurance, based on the testing performed, on the adequacy of the system of management control in effect for the audit areas tested. Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance. Management is responsible for establishing and maintaining effective controls that, in general, include the plan of organization, as well as methods, and procedures to ensure that goals are met.

Our follow up was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and accordingly included such tests of records and other auditing procedures as we considered necessary under the circumstances. Our procedures include interviewing staff, reviewing procedures and other information and testing internal controls as needed to assess compliance with the stated management action plans.

The follow-up process should monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

Follow-up by internal auditors is defined as a process by which they determine the adequacy, effectiveness, and timeliness of actions taken by management on reported engagement observations.

Factors that should be considered in determining appropriate follow-up procedures are:

- The significance of the reported observation.
- The degree of effort and cost needed to correct the reported condition.
- The impact that may result should the corrective action fail.
- The complexity of the corrective action.
- The time period involved.

We appreciate the cooperation and assistance received during the course of this follow-up audit. If you have any questions about the audit or this report, please feel free to contact me at (330) 643-2655.

Sincerely,

Bernard F. Zaucha
Director, Internal Audit

**Summit County Prosecutor's Office:
Child Support Enforcement Agency (CSEA)
Follow up Audit**

Auditor:

Lisa Skapura, Assistant Director; Anthony Boston, Internal Auditor; and Meredith Merry, Internal Auditor.

Objective:

To determine if management has implemented their corrective management action plans as stated in response to the previously issued Preliminary Audit report.

Scope:

An overview and evaluation of policies, processes, and procedures implemented by the department/agency as a result of management actions stated in the management action plans during the Preliminary Audit process.

Testing Procedures:

The following were the major audit steps performed:

1. Review the final preliminary audit 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 Preliminary Audit.
3. Review any departmental/agency response documentation provided to IAD with management action plan responses following the Preliminary 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 follow-up report noting status of previously noted management actions.

Summary

Of the sixteen issues and corresponding management action plans noted in the Preliminary Audit Report, the Summit County Prosecutor's Office: CSEA implemented sixteen management action plans.

Based on the above noted information, IAD believes that CSEA has made a positive effort towards implementing the management action plans as stated in response to the issues identified in the preliminary audit.

Security Follow-Up:

Security follow-up issues noted during fieldwork are addressed under separate cover in the accompanying report in compliance with Ohio Revised Code §149.433²⁴⁸.

**Summit County Prosecutor's Office: CSEA
Follow up Audit
Comments**

The Internal Audit Department (IAD) conducted a Follow-up Audit of the Summit County Prosecutor's Office: CSEA. The original Preliminary Audit was approved by the Summit County Audit Committee on December 19, 2006.

The accompanying comments to the Preliminary Audit issues present an overall summary of the status of the corresponding management action plans.

Listed below are the issues and their status as noted in the Preliminary Report. Each issue number is in reference to the preliminary report:

Management Action Plans Fully Implemented:

1) Issue

Upon review of the CSEA Procedures Handbook, IAD noted the following:

- a. Procedure # 100-100-015: "Client Walk-Ins-Case Related" refers to case managers seeing clients in their offices, training room, trainer's office, or interview room, however, the current procedure is to see all clients in room 101A on the 1st floor. No clients are permitted on the 5th or 6th floors. Additionally, the procedure indicates that clients can place their belongings in a secured locker on the 6th floor; however, clients currently go through a metal detector on the 1st floor.
- b. From Procedure # 100-100-001: "Personal Computer Policy" All employees assigned a PC will be required to sign an Acknowledgment of Hardware and Software on their PC and agree to Agency PC Policies and Procedures. A copy of this form will be placed in the employees personnel file. IAD noted this was not listed in the Personnel File section, as a document required in the personnel files.
- c. There is no procedure documented in Section 300-600-001.
- d. Procedure # 400-200-002: "Application for Services Request-Non PA", contains the name of a terminated employee and the name of a current employee.
- e. Procedure # 400-100-008: "Accessing Reports and Screens", #400-100-012: "Procedures Workflow" and #400-100-014: "Alerts-How to Work my Alerts", are all noted as procedures in progress. Per the Support Services Administrator, she was not sure if they were updated. Upon follow up with the Director, IAD obtained and reviewed an updated CSEA Procedures Handbook as of 8/15/06, and the procedures were still noted as "in progress".
- f. Procedure #200-200-013: "Financial Tracking", listed on the Table of Contents, was not noted as a procedure in progress, however, there was no corresponding procedure located in the handbook.

2) Issue

IAD noted during interviews, that there is no formal interaction with the press policy that is communicated to employees. Upon review of the Summit County Child Support Enforcement Agency Procedures Handbook, IAD did not locate a written interaction with the press policy.

3) Issue

It does not appear that a formal written disaster recovery plan for business continuity or data recovery is communicated to CSEA employees. Upon follow up in the Summit County Child Support Enforcement Agency Procedures Handbook, IAD did not locate a written disaster recovery plan.

4) Issue

Upon review of the personnel files selected for detailed testing of the HR file requirements, the following issues were noted:

- a. Three out of the 20 applicable personnel files, five employees were hired before the requirement of the I-9 form, which is November 6, 1986, did not contain an I-9 Verification. IAD obtained and reviewed a completed I-9 for one employee from the Administrative Assistant after testing was completed.

5) Issue

Eight out of 25 personnel files did not contain a current performance evaluation. In one instance, an employee was nine days overdue for a performance evaluation. Per internal instructions obtained from the Administrative Assistant, the review deadline for performance evaluations is twenty days after the end of the rating period. Per the CSEA Procedures Handbook Procedure #300-500-001: 2.0 "Types of Performance Evaluations," and Procedure #300-500-002: 2.0 "Types of Performance Evaluations," the employee "will receive a Performance Evaluation each year. The date used for such evaluations will be the date in which their probation period ended." It was also noted by IAD upon review of the ODJFS audit report dated October 2, 2002 that CSEA had a comment in regards to employee evaluations not being performed on 48.5% of the sample. At that time ODJFS recommended that all employees be evaluated on an annual basis to comply with OAC §5101-9-01.

6) Issue

Upon review of the expenditures selected for detailed testing, the following issues were noted:

- a. Three out of 30 invoices selected for testing did not contain the sign off of the Chief Fiscal Officer, or supervisor of the requesting department, indicating that the invoice was reviewed, to ensure that all amounts agreed and were correct.
- b. Two of 30 invoices selected for testing were not stamped and signed as approved to pay by the Prosecutor's Office Director of Administration.

7) Issue

Upon review of the policies and procedures manual and discussion with the Chief Fiscal Officer, IAD noted that there are no written internal policies and procedures for the CSEA expenditure process.

8) Issue

It was noted that the Summit County Adult Probation, Clerk of Courts – Legal Division, Summit County Fiscal Office, and the Domestic Relations Court (DRC) have not been

submitting invoices to CSEA within the 30 days required by statute. Per Rule 5101:12-10-45.3 "Governmental contractors shall submit the JFS 07035, "IV-D Contractor Invoice" (rev. 11/2002), to the CSEA for payment no later than thirty days after the last day of the month in which the services are performed." Per the IV-D contract Supervisor, the Summit County Adult Probation contract is awaiting approval from ODJFS. The contract for the Clerk of Courts – Legal Division was recently approved by ODJFS and is now caught up on invoicing and the Fiscal Office contract is currently being negotiated with ODJFS. Upon review of interoffice memorandums from the DRC to CSEA, it appears that the DRC has submitted invoices to CSEA for payment of Title IV-D services up to February 2006. Therefore, the DRC is six months behind in submitting invoices for services rendered. Further review of emails between CSEA and the DRC Court Administrator revealed that submittal of invoices from DRC has been an issue that has existed since July of 2005. Additionally, this issue was noted in the ODJFS audit of CSEA for the year 2000.

9) Issue

Upon review of the CSEA Procedure #200-200-001-Payment Window and discussion with the Chief Fiscal Officer, the following procedures in the Payment Window procedures need to be updated to reflect the current cash collections process:

- a. The payment window is now located on the 1st floor.
- b. When checks are received, they are stamped with a "For Deposit Only" stamp by the Account Clerk II at the payment window.
- c. The Account Clerk III approves closed batches prior to 2:00 p.m. each day.
- d. There are three cash drawers as opposed to four. The Supervisor of the Fiscal/Collections unit is no longer assigned a cash drawer.

10) Issue

Upon review of the Summit County CSEA Procedures Handbook: Procedure #200-200-001-Payment Window, discussion with the Chief Fiscal Officer and observation of the cash collection process, there is a lack of segregation of duties between collecting cash at the payment window and preparing the daily deposits. The Account Clerk II, who collects payments during the main cashier's breaks, is also responsible for preparing the deposits.

11) Issue

There were 9 of 52 Released Batch Summary Reports from the KidStar system selected for detailed testing of cash receipts where the batch summaries (subtotals of each batch) did not agree to the County Summaries (grand totals of all batches). However, it was noted that the totals of the individual payment amounts agreed to the County Summaries. Per the Account Clerk III, when this occurs, she has to manually add the individual payment amounts to agree the totals posted to the total deposit. Additionally, the Account Clerk III stated that this is still occurring occasionally.

12) Issue

Upon review of the Summit County Procedures Handbook: Procedure #600-100-004: Random Moment Sample (RMS), IAD noted the following:

- a. Per discussion with the RMS Coordinator, when an employee calls off or is on vacation/sick leave and is scheduled for an RMS at that time, the RMS Coordinator

attaches a leave form/call-off log to the RMS form for support. IAD did not locate this procedure in the RMS procedures.

- b. Section 1.0: Purpose A.2 states “If a worker is performing an activity that does not require SFRC notes, the worker will still need to go into the SFRC screen and record “RMS THIS DATE”. The activities that do not require SFRC notes are not documented in the procedures; therefore, it is not clear when this procedure should be followed.

13) Issue

Two of 354 activity codes located on the RMS Sample Reference list, containing the program and activity codes inputted into the CS-RMS software by the RMS Coordinator, did not agree to the activity codes selected by the employee on the ODHS 2712 (RMS form).

14) Issue

The QuIC file containing the CS-RMS data for the 2nd RMS reporting quarter in 2006 was submitted to the Ohio Department of Human Services (ODHS) on July 5, 2006. Per OAC § 5101:1-31-04, “the QuIC file shall be submitted to the ODHS, Office of Fiscal Services, Bureau of County Finance & Technical Assistance no later than the twentieth calendar day of the month following the CS-RMS reporting quarter, or the next business day after the twentieth if the twentieth is not a business day”. The months of March through May make up the 2nd reporting quarter. Therefore, the QuIC file should have been submitted on June 20, 2006. Per the Chief Fiscal Officer, the report was not submitted timely, therefore, the state contacted her on July 5, 2006. Upon review of the QuIC log, listing the dates of submittal for the third and fourth quarters of 2005 and the first quarter in 2006, IAD noted the submittals were late as well. Submittal dates were as follows:

- a. 3rd quarter 2005: 10/28/05
- b. 4th quarter 2005: 12/27/05
- c. 1st quarter 2006: 4/25/06

Per the Chief Fiscal Officer, if 100% of the RMS samples are not correct during an upload, or if there is a problem with the upload, the upload must be submitted again. Therefore, the dates above reflect the final submission dates of the entire RMS data.

15) Issue

Upon review of the ODHS Form 2712 (RMS forms) selected for detailed testing of the RMS requirements, the following issues were noted:

Items a-c are requirements per the ODJFS Child Support Manual (CSPM): Instructions for Completing CS-RMS Observation Form:

- a. There was no selection made in Section I of the ODHS 2712 (RMS form) for 6 of 354 RMS forms.
- b. Five RMS forms containing corrections/changes were not initialed by the employee selected for the RMS, indicating that he/she made the change on the RMS form.
- c. The employee selected for the RMS did not initial 1 of 354 RMS forms. Another employee, per the RMS Coordinator, initialed the RMS form, as the employee selected for the RMS could not print the SETS screen print.

Items d-k are requirements per the Summit County CSEA Procedures Handbook: #600-100-004-Random Moment Samples:

- d. A screen print from the Support Enforcement Tracking System (SETS) was not attached to 9 of 265 applicable RMS forms in which the employee documented that he/she was working on a case or case-related activity. The sample size was reduced to 265 because the remaining 89 RMS forms did not require an attached screen print from SETS, per the CSEA Director, as the employee was on vacation, sick leave, break, or lunch at the time of the RMS.
- e. Program Code 315: "Child Support Enforcement/All Prog" and Activity Code 640: "IV-D Administrative Activities" was selected on 15 of 354 RMS forms. Per Procedure #600-100-004: RMS, Code 640 may be used with either Program Code 300: "IV-D Support/TANF/IV-E FC" or Program Code 305: "IV-D Support/Non-TANF/Medicaid". Additionally, there was no screen print from SETS attached to the 15 RMS forms showing that the employee recorded "RMS this Date" in the notes.
- f. "RMS this Date" was documented in the notes on 4 of 265 applicable screen prints attached to the RMS forms. However, the employee did not document in the notes the activity being performed at the time of the RMS. The sample size was reduced to 265 because the remaining 89 RMS forms did not require an attached screen print from SETS, per the Director, as the employee was on vacation, sick leave, break, or lunch at the time of the RMS.
- g. Eleven of 265 applicable dates located in the notes of the SFRC screen print attached to the RMS forms did not agree to the dates on the RMS forms. The sample size was reduced to 265 because the remaining 89 RMS forms did not require an attached screen print from SETS, per the Director, as the employee was on vacation, sick leave, break, or lunch at the time of the RMS.
- h. The activity code selected on 23 of 265 RMS forms and the notes on the attached screen print did not agree and/or the notes did not support the activity selected by the employee (i.e. the employee was performing a case-related activity that did not require SFRC notes and did not attach an SFRC screen print stating "RMS this date").
- i. The case number documented on 3 of 250 applicable RMS forms did not agree to the case number located on the attached screen print. The sample was reduced to 250 because Code 002: "Case Number" was selected on the RMS forms, indicating that the employee was working on a case.
- j. The program code selected on 1 of 354 RMS forms did not agree to the "Case Type" code located on the attached screen print.
- k. The Comment Box was not completed on 6 of 89 applicable RMS forms. Per the CSEA RMS Procedure # 600-100-004: "completion is mandatory if the worker does not have comments from the SFRC screen to print and attach to the RMS form". The sample size was reduced to 89 because SETS screen prints were not required to be attached for 89 RMS forms as the employee was on vacation/sick leave/called off, lunch, or break.

16) Issue

IAD noted from the 2006 phone bank statistics, obtained from the Phone Room Supervisor, that approximately one-half of the calls received in the phone room are recorded in Code 20. This code is used for small inquiries such as CSEA's hours, directions, changing staff information, child support payments, etc. The state provides primarily the same information to the client.