

SUMMIT COUNTY, OHIO

BERNARD F. ZAUCHA, CPA, MBA, CIA, DIRECTOR

October 20, 2005

Linda Phelps
Director of Finance and Budget
175 S. Main Street, Room 708
Akron, OH 44308

Dear Ms. Phelps:

Attached is the final Follow-up Audit report regarding the issues that were identified in the County of Summit Executive Office Department of Finance and Budget: Bureau of Office Services' Preliminary Audit report dated February 1, 2005. The follow-up report was approved by the Audit Committee on September 28, 2005 at which time it became public record. We appreciate the cooperation and assistance received during the course of this follow-up audit.

FOLLOW-UP AUDIT SUMMARY

The follow-up process monitors and ensures 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 are considered in determining appropriate follow-up procedures:

- 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.

Sincerely,

Bernard F. Zaucha

cc: Audit Committee
James B. McCarthy
Brian Nelsen, Deputy Director, Purchasing
David Hickman, Office Services Administrator

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**EXECUTIVE OFFICE DEPARTMENT OF FINANCE AND BUDGET:
BUREAU OF OFFICE SERVICES
Follow-up Audit**

Auditor:

Dan Crews, Senior Auditor

Objective:

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

Scope:

An overview and evaluation of policies, processes, and procedures implemented by the department/agency as a result of management actions stated in the corrective 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, where applicable.
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 to address the original preliminary audit issues.
5. Review applicable support to evaluate management actions.
6. Determine implementation status of management action plans.
7. Complete follow-up report noting status of previously noted management actions.

**EXECUTIVE OFFICE DEPARTMENT OF FINANCE AND BUDGET:
BUREAU OF OFFICE SERVICES
Follow-up Audit
COMMENTS**

The Internal Audit Department (IAD) conducted a follow-up audit of the Bureau of Office Services' Preliminary Audit. The original Preliminary Audit concluded in October 2004 and was approved by the Summit County Audit Committee on December 17, 2004.

The accompanying follow-up comments to previously stated Preliminary Audit issues present an overall summary of the current status of the corresponding management action plans.

During our follow-up audit, IAD noted that a majority of the applicable management action plans were fully or partially implemented. We commend the Bureau of Office Services for their efforts and appreciate the cooperation of the Bureau of Office Services personnel during the course of the follow-up audit.

Listed below is a summary of the major issues/management action plans and their current status:

Management Action Plans fully implemented:

- Inclusion of a Revision/Creation date on the Bureau of Office Services Policies and Procedures manual.
- Utilization of only position titles in the text of the Bureau of Office Services Policies and Procedures manual.
- Removal of overlapping areas noted within the Bureau of Office Services Policies and Procedures manual and of manual to ensure that it does not conflict with the Executive's Policy and Procedure manual.
- Informed personnel of the conflict of interest policy in the Executive's Office Policy & Procedures manual.
- Incorporation of a policy and procedure into the departmental policies and procedures manual addressing the issue of not using county assets and supplies for personal use.
- Creation and use of a form to monitor customer satisfaction and complaints.
- Increased supervision and monitoring of the Safety Building operations and customer service.
- Updating of the Print Service Request Form utilized by customers of Office Services.
- Completion of the Fund and Org numbers on the Book Binding Logs.
- Usage of Excel spreadsheets to compile monthly usage readings and calculate monthly billing charges.
- Inclusion of a policy and procedure into the Office Services Policies and Procedures manual to verify that goods and services ordered are in accordance with departmental purchase requirements.
- Utilization of an electronic inventory program to track paper inventory supplies.
- Initiating of the Sheriff's Department paper supply requisitions through the Office Services Office Manager prior to pick up by the Sheriff's Department.
- Maintain and update a current listing of contracts including beginning and ending dates.

Management Action Plans partially implemented:

- Distribution of the Office Services Policies and Procedures manual, utilization/creation of an employee sign off sheet acknowledging the receipt and understanding of the policies and procedures, and the inclusion of the sign-off sheet into the employee personnel files.
Per follow-up with the Office Services Administrator and Office Manager, the policies and procedures manual was distributed and IAD observed copies of employee acknowledgement sign-off sheets. However, the sign-off sheets were being kept in the Office Manager's office, not included in the employee's official personnel file (Executive Human Resource Department file).
- Completion of signed Confidentiality Statements by the Office Services personnel and inclusion of the statements into the employee personnel files.
Per follow-up with the Office Services Administrator and Office Manager, the Confidentiality Statements were signed by the Office Services staff; however, IAD noted that the statements were on file in the Office Manager's office, not included in the official personnel files (Executive Human Resource Department file).
- Completion and county-wide distribution of a marketing brochure to inform Office Services customers of pricing and services that can be provided. Estimated completion and distribution date to be January 15, 2005.
Per follow-up with the Office Services Administrator, a draft copy of the brochure has been completed; however it has not been finalized or distributed. Target date for completion and distribution is by the end of July 2005.
- Offering of an interim Records Archive policy and procedure manual to the Records Commission for approval in December of 2004.
Per follow-up with the Office Services Administrator, he stated that he is no longer involved in the Record Commission or Records Archive facility effective February 2005. Per the Office Services Administrator, he is not aware of any policies and procedures that were presented for Records Commission approval. Additional follow-up with Teresa Corall, Paralegal-Department of Law, Executive's Department designee effective February 2005 (in addition to Karen Doty, Director-Department of Law), revealed that a new draft copy of Records Commission Policies have been created. IAD obtained a copy of the draft policies and procedures on 8/2/2005. Target date for review and approval by the Records Commission was stated by Teresa to be mid-August 2005.
- Thorough review of the Office Services pricing structure and completion of policy updates and pricing changes prior to January 15, 2005.
Per follow-up with the Office Services Administrator and the Deputy Director-Purchasing, there has been review and discussion of the pricing structure, however, no formal changes have been completed with regard to policy updates and pricing changes. Both stated that review and evaluation of the pricing structure is still ongoing. Per the Deputy Director-Purchasing, target date for completion of pricing changes and updates is estimated to be spring of 2006.

- Review of all charge backs.
Per follow-up with the Office Services Administrator and the Deputy Director-Purchasing, there has been review and discussion of charge backs, however, no formal changes have been completed with regard to customer charge backs. Both stated that review and evaluation of the charge backs and pricing structure is still ongoing. Per the Deputy Director-Purchasing, target date for decisions on charge backs is estimated to be spring of 2006.
- Correction of Monthly Statement of Services invoices to reflect a more accurate presentation of postage charges.
Per review of current Monthly Statement of Services invoices provided by Office Services management, the figures located in the billing statements under quantity and unit price headings still do not represent the actual quantities or unit prices. However, IAD noted that additional notes have been added to the statements to explain charge amounts. Per follow-up with the Office Manager, actual quantity and unit price numbers are not possible under the current system of tracking postage charges and recording postage charges. Per the Office Manager, since the statement changes were made and explanation added to the postage billings, she has not received additional complaints.

Management Action Plans not implemented:

- Contacting of the Human Resource Department to schedule and complete employee Customer Service Training.
Per follow-up with the Office Services Administrator and Office Manager, they instituted conversation with the Human Resource Department in 2004, but were not informed that customer service training was currently available. Per IAD follow-up with the Human Resource Department's training representative, it was noted that customer service training is available.

Conclusion:

Based on the above noted information, IAD believes that the Bureau of Office Services has made a positive effort towards implementing their corrective management action plans as stated in response to the audit issues identified during 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.