

# SUMMIT COUNTY, OHIO

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

June 7, 2005

John A. Donofrio  
Fiscal Officer  
175 S. Main Street  
Akron, OH 44308

Dear Mr. Donofrio:

Attached are the results of the Follow-up Audit regarding the issues that were identified in the Fiscal Real Estate's Preliminary Audit report dated February 1, 2005.

## **FOLLOW-UP AUDIT SUMMARY**

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 extension (330) 643-2655.

Sincerely,

Bernard F. Zaucha

cc: Audit Committee

**FISCAL REAL ESTATE DEPARTMENT**  
**Follow-up Audit**

**Auditors:**

Lisa Skapura, Assistant Director, 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.

**FISCAL REAL ESTATE DEPARTMENT**  
**Follow-up Audit**  
**COMMENTS**

The Internal Audit Department (IAD) conducted a follow-up audit of the Fiscal Real Estate's Preliminary Audit. The original Preliminary Audit concluded in February 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 Fiscal Real Estate Department for their efforts and appreciate the cooperation of the Fiscal Real Estate 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:**

- Use of Policy and Procedure sign off sheet for employees to sign indicating that they have received and read the accompanying Policy and Procedures Manual.
- Implementation of policies/procedures for expense report reimbursement timing, monitoring of appraiser mileage usage, and the tracking of time and costs associated with various assigned projects.
- Creation of an orientation program for new hires/employees.
- ORC compliance for renewal application mailings for the Current Agricultural Use Value (CAUV) program.
- Establishment of a process/procedure to improve monitoring of exemption eligibility.
- Creation and updating of position descriptions for Real Estate employees.
- Creation of a process/procedure to improve monitoring and documentation of Homestead Exemption eligibility.
- Formation of a personnel procedure to improve documentation for personnel Certification requirements.
- Creation and use of a policy/procedure for the completion of exit interviews and a process for notification to all county departments associated with an exiting employee or an employee changing positions.

**Management Action Plans partially implemented:**

*The following management action was instituted and was being performed, however, per the Fiscal Office - Chief Deputy Treasurer Personnel, the policies and procedures have only been completed in draft form with an anticipated approval date of August 2005 for incorporation into the Personnel Policy and Procedure manual.*

- Creation of a standard listing of required forms/documentation for Fiscal Human Resource personnel files contained in the Policies and Procedures manual.

**Management Action Plans not implemented:**

- Utilization of the Executive Human Resource Department's system of job evaluations for non-bargaining employees.

*Per the Fiscal Office – Chief Deputy Treasurer Personnel on 6/1/05 and as stated in the Management Action Plan, the Fiscal Personnel department was waiting on the formation of an evaluation process being instituted by the Executive's Human Resource Department (HRD) which was scheduled for completion in May 1, 2005. However, on 6/3/05 the Chief Deputy Treasurer Personnel stated that he had just been instructed late on 6/1/05 by the Director of the HRD, during a county human resource meeting, to formulate a process/procedure for annual employee evaluations independent of the Executive's HRD. Therefore, the Chief Deputy Treasurer Personnel informed IAD that he would be instituting a Fiscal Office evaluation procedure with a targeted completion date of January 2006.*

**Conclusion:**

Based on the above noted information, IAD believes that the Fiscal Real Estate Department 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 §149.433<sup>248</sup>.