

SUMMIT COUNTY, OHIO

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

November 22, 2005

Dennis Gutowski
Executive Director, Veterans Service Commission
148 Park Street
Akron, OH 44308

Mr. Gutowski:

Attached are the results of the Follow-up Audit regarding the issues that were identified in the County of Summit Veterans Service Commission (VSC) Preliminary Audit report dated December 17, 2004.

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 Joseph P. George, Senior Auditor, at (330) 643-7894 or myself at (330) 643-2655.

Sincerely,

Bernard F. Zaucha
Director, Internal Audit

cc: Audit Committee

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Veterans Service Commission
Follow-up Audit
(APPROVED BY AUDIT COMMITTEE DECEMBER 8, 2005)

Auditor:

Joseph George, 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.

**Veterans Service Commission
Follow-up Audit
COMMENTS**

The Internal Audit Department (IAD) conducted a follow-up audit of the County of Summit Veterans Service Commission (VSC) Preliminary Audit. The original Preliminary Audit concluded in July 6, 2004 and was approved by the Summit County Audit Committee on December 23, 2004.

The accompanying follow-up comments to the 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.

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

Management Action Plans fully implemented:

- Policy and Procedure Manual sign-off sheet redesign and insertion into the Policy Manual.
- Once cross training has been completed, employees will sign off on the training that they have received and will be given a copy of the Standard Operating Procedures (SOP) for the new position they have been trained on.
- Dissemination of the VSC Media Policy to all employees by email dated October 8, 2004.
- A form I-9 will be signed and inserted into each employees file.
- A form for the Financial Officer will be created that will include dates, evidence to substantiate purchase, and signature for auditing purposes creating a paper trail.
- A sign off sheet will be created that will be used by the Financial Officer or designee that addresses who audited the vouchers and when.
- VSC emailed a policy in relation to vouchers being issued without a requisition to all VSC staff members on October 8, 2004.
- Modified language in the Policy and Procedures to cover the dental treatment process, emergency food, and emergency prescriptions as exceptions to the Budget Checklist policy.
- As of September 10, 2004, all VSC vendors have been contacted and notified that the Financial Officer will not process any voucher that has not been properly signed and dated.

Management Action Plans partially implemented:

- Create and post fire exit diagrams throughout the facility and make all staff members aware of a safe exit of the building in case of a disaster. Prior to December 31, 2004, they will have completed draft of a disaster recover plan.
IAD observed posted fire exit diagrams throughout the facility. Per the Executive Director, all employees have been informed of the evacuation procedures and the location of ladders on the second floor and the Disaster Recovery Plan will be completed by December 31, 2005.

- Creation of a personnel document template that will be used to create a master protocol for use in all personal employee files prior to September 9, 2005. Each file will be audited and separate file folders will be used to contain the same necessary information critical to maintain unity and compliance.

IAD obtained and reviewed the “Personnel File Documents” template and a draft “Personnel File Policy” from the Executive Director. Per the Executive Director, the personnel files have not been audited or separated into folders due to insufficient staffing and the personnel files will be audited and separated into the appropriate folders by December 31, 2005.
- Each personnel file will be audited and will include necessary documents required by our charter and IAD recommendation prior to September 9, 2005. This protocol will be identified in a template to ensure that some form of documentation be required for an employee who is not a veteran proving that they are or were in fact related to a veteran under the specified standards.

IAD obtained and reviewed the “Personnel File Documents” template and a draft “Personnel File Policy” from the Executive Director. It was noted by IAD that the “Personnel File Documents” listing includes the requirement of the DD214 for the relative. Per the Executive Director, the personnel files have not been audited or separated into folders due to insufficient staffing and the personnel files will be audited and separated into the appropriate folders by December 31, 2005.
- A new audit of each staff member’s personnel file will be conducted and a template for this review process that will insure each staff member’s file contain the required documents as outlined by IAD will be created. Upon completion of each year’s performance appraisals, the master documents will be placed numerically by the year in each individual file. The personnel files will be kept in a locked cabinet when not in use.

IAD obtained and reviewed the “Personnel File Documents” template and a draft “Personnel File Policy” from the Executive Director. Per the Executive Director, the personnel files have not been audited or separated into folders due to insufficient staffing and the personnel files will be audited and separated into the appropriate folders by December 31, 2005. IAD obtained and reviewed the personnel evaluations that were noted as errors in testing to ensure that they were completed.
- Prior to September 9, 2005, a template will be created to unify and correct any documents inadvertently missing in the personnel files when the audit was in process. This measure will be used for existing and new documents.

IAD obtained and reviewed the “Personnel File Documents” template and a draft “Personnel File Policy” from the Executive Director. Per the Executive Director, the personnel files have not been audited or separated into folders due to insufficient staffing and the personnel files will be audited and separated into the appropriate folders by December 31, 2005.

Management Action Plans not implemented:

- Total rewrite of a master policy manual for the agency, which will be subdivided and include the Financial Officer policies and procedures.
Per the Executive Director, on 10/7/05, the procedures for the Financial Officer will be submitted for approval at the next VSC meeting in November 2005 and the total rewrite of the master policy manual will be completed by November of 2006.
- Confidential or highly sensitive documents identified as not for public viewing will be placed in a confidential section of the employees personnel file.
Per the Executive Director, the personnel files have not been audited or separated into folders due to insufficient staffing and the personnel files will be audited and separated into the appropriate folders by December 31, 2005.
- All contracts will be provided to the County Executive's Office for legal record and review in the future.
Per the Executive Director on 10/7/05, the VSC requested an opinion from the Prosecutor's Office via the Fiscal Officer in regards to whether or not the VSC must adhere to the Summit County Board of Control (BOC) policies established by the Summit County Charter and administered by the Executive's Office. Prosecutor Opinion Number 05-078 dated September 12, 2005, states that the VSC must adhere to the BOC policies as administered by the Executives office. Per an email from the VSC Executive director on November 4, 2005 the VSC "will adhere to county ordinances and Board of Control rules in relation to the execution of our annual Mobile Meals contract."

Conclusion:

Based on the above noted information, IAD believes that the Veterans Service Commission 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.