

Summit County Fiscal Office
Purchasing Department
1st Follow-up Preliminary Audit Report

PREPARED FOR:

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Audit Committee

Approved by Audit Committee
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Summit County
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Summit County Fiscal Office
Purchasing Department
1st Follow-up Audit

Auditors:

Lisa Skapura, Director; Meredith Merry, Deputy Director; and Jaime Vedrody, Staff Auditor.

Objectives and Methodology:

To determine if management has implemented their management action plans as stated in the previously issued Preliminary and Follow up Audit reports.

We conducted this follow up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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 Preliminary and Follow up Audit process.

Testing Procedures:

The following were the major audit steps performed:

1. Review the final Preliminary report 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 first Follow up Audit report noting the status of previously noted management actions.

Summary:

Of the five (5) issues and the corresponding management action plans noted in the Preliminary Audit Report, the Fiscal Office Purchasing Department fully implemented five (5) management action plans.

Based on the above noted information, IAD believes that the Purchasing Department 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 Preliminary Audit Report and their status. Each issue number is in reference to the Preliminary Audit report:

Management Action Plans Fully Implemented:

- **Issue 1-** Upon review of the Fiscal Office Purchasing procedures, IAD noted the following:

Requisition Website Procedures

- There were no supervisory approvals or effective dates,
- There were no travel related procedures,
- There were names, rather than titles, referenced in the manual,
- Employee acknowledgment of their receipt of the procedures was not obtained.

Requisition Site Workflow Procedures

- There were no supervisory approvals or effective dates,
- The IT Board threshold amount for IT related purchases requiring approval was incorrect,
- There were names, rather than titles, referenced in the manual,
- Employee acknowledgment of the receipt of the procedures was not obtained.

Upon review of policy and procedures, IAD confirmed they contained supervisory approvals, effective dates, travel related procedures, titles rather than names, and employee acknowledgement of their receipt of the procedures.

- **Issue 2-** Upon review of FO expenditures, IAD noted five out of forty-three transactions where the invoice date was prior to the purchase order (PO) date which is a violation of O.R.C § 5705.41.

Upon review of FO expenditures, no exceptions were noted.

- **Issue 3-** Upon review of FO expenditures, IAD noted three out of forty-four transactions where a prior year PO was used. Per O.R.C. § 5705.41 (D)(3), POs can be outstanding over a period not extending beyond the end of the fiscal year, with the exception of contract expenditures, per O.R.C § 5705.44. The errors noted were not related to contracts.

Upon review of FO expenditures, no exceptions were noted.

- **Issue 4-** Upon review of the Fiscal Officer Purchasing Department expenditure process, IAD noted the following areas that have an improper segregation of duties:

- a. The Support Services Administrator is responsible for both the ordering and receiving of office supplies,
- b. The Administrative Assistant is responsible for both the ordering and receiving of office supplies and equipment.

Through discussion with the Administrative Assistant, IAD confirmed there is a proper segregation of duties for the ordering and receiving functions.

- **Issue 5 -** Upon review of O.R.C. § 5713.01 (E) in regards to the auditor's duties as assessor and Summit County Codified Ordinance 177.08 Professional Service Contracts, it was noted that there is an inconsistency regarding required approvals for professional service contracts involving property assessments.

Upon review of Codified Ordinance 177.08, IAD confirmed the language has been updated to include appraisers as business entities exempt from competitive bidding.