

Summit County Executive Office
Human Resources Department
2nd Follow-up Preliminary Audit General Report

Prepared For:

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Audit Committee

Approved by Audit Committee
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Summit County Executive Office
Human Resource Department
2nd Follow-up Preliminary Audit – General Report

Auditors:

Lisa Skapura, Director; Meredith Merry, Deputy Director; and Lucas Immel and Brittney Manfull, Staff Auditors.

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 nine issues/observations and the corresponding management action plans noted in the First Follow-Up Report which required follow-up, five were not applicable, three were fully implemented, and one was not implemented. The one issue that was not implemented has been deemed a high risk area.

Based on the above noted information, IAD believes that the Human Resource Department has made some progress towards the implementation of their corrective management action plans; however, additional work is needed to fully implement the management action plan as stated in response to the issues identified during the preliminary audit. Internal Audit will conduct another follow-up audit to confirm implementation.

Listed below is a summary of the issues noted in the Preliminary Audit and Follow-up Audit Report and their status. Each issue number is in reference to the Preliminary Audit report:

Management Action Plans Previously Implemented:

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- **Observation 6-** Upon review of the NeoGov system as well as discussion with the Deputy Director of the HRD, IAD noted that access to scanned documents, which may contain confidential information, is not restricted.

Management Action Plans Not Applicable:

- **Observation 1-** Upon discussion with the Deputy Director of HRD, IAD noted that a policy and procedure manual for the hiring process regarding the NeoGov system does not exist. IAD recognizes that hiring policy is established by Codified Ordinance 169; however, this does not address hiring procedures related to NeoGov including, but not limited to:
 - a. General NeoGov hiring process,
 - b. Making/reviewing overrides,
 - c. Comparison of requisitions to the Staffing Report spreadsheet,
 - d. User addition/removal procedures.
- **Observation 2-** Upon review of the NeoGov training manual, IAD noted several discrepancies between steps in the manual and the actual NeoGov system.
- **Observation 3-** Upon discussion with the Deputy Director of HRD, IAD noted that the addition/removal of users as well as permission changes are initiated verbally.
- **Observation 4-** Upon discussion with the Deputy Director of HRD, IAD noted that a process is currently not in place for the comparison of personnel requisitions to the annual Staffing Report adopted by Council.
- **Observation 5-** Upon discussion with the Deputy Director of HRD as well as observation of the NeoGov “Password Preferences” screen, IAD noted that there is currently no password policy in place for the NeoGov system.

For the above Observations, it was noted upon discussion with the Director of Human Resources, the Deputy Director of Human Resources, the Chief Deputy Fiscal Officer, the Chief of Staff-Fiscal Office, the Deputy Fiscal Officer –MIS, and the Director of Finance and Budget, that PeopleAdmin software will replace NEOGOV in 2014. Therefore, IAD deems these management action plans not applicable.

Management Action Plans Fully Implemented:

- **Issue 1-** The Executive HRD does not have formal written policies and procedures for many administrative processes and day-to-day functions of the department (e.g., expenditures/procurement, Form I-9, etc.). Additionally, there are several policies and procedures that require updating (e.g., incorporating a personnel file checklist into the personnel file policy). Therefore, the HRD is not able to ensure that the administrative processes/work flows are being followed consistently, appropriately, or in accordance with policies.

Upon review of the updated policies and procedures manual, IAD confirmed it appeared complete and comprehensive. In addition, IAD obtained the sign off the Department Director and confirmation that the manual had been distributed to all HRD personnel.

- **Issue 2-** Upon discussion with the Administrative Assistant, it was noted that the same person places orders, receives the goods ordered and receives vendor invoices causing an improper segregation of duties.

Upon review of the updated policy and procedures manual, IAD confirmed the manual has been updated to reflect the change to the ordering and receiving duties allowing for a proper segregation of duties.

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- **Issue 4-** Upon review of the EEO files, there were several instances where IAD was not able to determine the status of the allegations; therefore, making it difficult to determine if the allegations became formal complaints, were still pending, or were dismissed because the allegation did not pertain to discrimination.

On 12/2/13, IAD obtained a copy of the Human Resource Policy and Procedure Manual . Upon review, the manual contained an Anti-Discrimination/Anti-Harassment policy. In addition, IAD obtained the sign off the Department Director and confirmation that the manual had been distributed to all HRD personnel.

Management Action Plans Not Implemented:

- **Issue 3-** Upon review of seventy employee personnel files selected for detailed testing, IAD noted the following:
 - a. Thirty-two out of seventy personnel files did not contain a Policy and Procedure manual sign-off,
 - b. Five out of twenty-one applicable personnel files did not contain a Declaration of Material Assistance form (the sample size was reduced because the form is only required for employees hired after 4/16/06),
 - c. Six out of thirty applicable personnel files did not contain a Form SSA-1945 (the sample size was reduced because the form is only required for employees hired after 1/1/05),
 - d. Six out of seventy personnel files did not have confidential information segregated.

IAD met with the Executive Assistant, and tested twenty personnel files for the presence of a Declaration of Material Assistance form, an SSA-1945 form, and to confirm that confidential information was segregated. IAD noted the following:

- a. 1 out of 20 instances where the Declaration of Material Assistance form was not present in the personnel file*
- b. 2 out of 20 instances where the SSA-1945 Form was not present in the personnel file,*
- c. And 8 out of 20 instances where the confidential information was not segregated.*