

**Summit County Executive Office  
Department of Administrative Services  
Follow-up Audit Report**

**Prepared For:**

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Audit Committee**

**Approved by Audit Committee  
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**Summit County  
Internal Audit Department  
175 South Main Street  
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**Auditors:**

Lisa Skapura, Assistant Director, Mira Pozna, Deputy Director, Anthony Boston, Meredith Merry and Benjamin Franjesevic, Internal 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 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 eighteen issues and the corresponding management action plans noted in the Preliminary Audit Report, the Summit County Executive Office Department of Administrative Services (DAS) fully implemented seven of eighteen management action plans, partially implemented nine and has not implemented two.

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

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

**Management Action Plans Fully Implemented:**

- **Issue 4-** Upon discussions with the Maintenance Supervisor, Deputy Director of Physical Plants, and the Director of DAS, IAD noted that there are currently no formal written policies and procedures in place for the scrap process in regards to obtaining items from individual departments. IAD was able to obtain a scrap policy for the Physical Plants Department from the Physical Plants Office Manager; however, the policy begins with the accumulation of assets and does not address any procedures for collecting and maintaining the assets.

*Upon review of policy and procedures, it was confirmed that there is an approved procedure in place for scrapping items.*

- **Issue 8-** Upon observation and in accordance with the policies and procedures, IAD noted during testing that four of the six scrap pay-ins from 2007 did not include a weigh-in slip from the scrap dealer. IAD contacted the Maintenance Supervisor regarding this and he confirmed that they do not always receive a weigh-in slip when assets are taken to the scrap yard.

*Scrap weigh-in slips existed for all scrap pay-ins tested*

- **Issue 10-** Through testing and discussions with the Deputy Director of Capital Projects, IAD identified that there is currently no written procedure in place to ensure that county assets supplied to contractors are returned upon completion of the contract.

*Upon review of policy and procedures, it was confirmed that an approved procedure is in place stating that county assets will not be disbursed to contractors working on Summit County projects.*

- **Issue 11-** Upon review of the Summit County Department of Animal Control Employee Handbook of Policies and Procedures, there are no cash handling (collecting, receipting, voiding, reconciling, depositing, etc.) procedures in place. IAD obtained the following policies and procedures from the Animal Control Manager:

- Handling funds throughout the workday
- Voided Transactions at Animal Control
- End of the day money preparation for the Fiscal Office
- Taking funds to the Fiscal Office

Additionally, IAD noted that the Animal Adoption policy contained in the Employee Handbook of Policies and Procedures contained incorrect fees, and there was no policy for Owner Release Animals. 12/7/07, IAD obtained an updated Animal Adoption policy from the Animal Control Manager, containing the correct adoption fees, and an Owner Release Animals policy.

*Upon review of the policies and procedures it was noted that they were updated and disseminated.*

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- **Issue 12-** Upon discussion with the Animal Control Manager on 12/7/07, and during testing, IAD noted that there is a lack of segregation of duties between collecting cash, reconciling/preparing the daily deposits, and delivering the deposits to the Fiscal Office. The Secretary, who is able to conduct cash transactions, is also one of the people responsible for preparing the deposit. Additionally, the Deputy Wardens, who can conduct cash transactions, may also prepare the deposit, as well as deliver the deposit to the Fiscal Office.

*Upon review of the policies and procedures and through detail testing it was noted that a proper segregation of duties exists for the cash collection process.*

- **Issue 15-** There is no reconciliation performed at the Animal Control, the Office of Budget and Management, nor the Fiscal Office to ensure timely and accurate collection of municipal billing remittances. Additionally, there is no invoice date printed on the invoices. The billing states that payment is due twenty days from invoice date; however, since there is no invoice date on the billing, it is difficult to determine if the payment is timely.

IAD also noted, during communications with municipalities in an attempt to collect past due amounts, that the municipalities are not billed consistently each month (i.e., occasions with quarterly billings). This could make it difficult for the Animal Control facility, as well as the municipalities, to accurately track and monitor the monthly charges and payments.

*Upon review of the policies and procedures and through detail testing it was noted that payments are reconciled to invoices that are produced using the SCAMP system.*

- **Issue 17-** Nine out of the twelve personnel files tested, located in the Human Resource Department, did not contain the applicable certifications. IAD was able to obtain the certifications for the nine Animal Control employees upon follow-up with the Animal Control Manager.

*Upon detail testing of personnel files it was noted that copies of all applicable certifications were maintained in the respective personnel files.*

**Management Action Plans Partially Implemented:**

- **Issue 1-** During discussions with the Physical Plants Office Manager, IAD was informed that there are no written policies and procedures in place or any employee cross-training of the various job functions performed by the Office Manager. The Physical Plants Office Manager works with the Capital Projects Department as well as Department of Physical Plants – Facilities. This was recognized as an issue during a preliminary interview when the current Physical Plants Office Manager informed IAD that there is currently no one who could perform her various job functions (processing payroll, expenditures, etc).

*On 1/5/11 IAD obtained and reviewed the Physical Plants Department Operating Policies and Procedures manual which included policies and procedures for the duties of the Office Manager. It was noted that they require revision as job functions have changed.*

- **Issue 3-** Upon discussion with the Deputy Director of Physical Plants, Maintenance Supervisor, and the Director of Department of Administrative Services, IAD noted that there are no formal written policies and procedures in place for the surplus auction process.

*A meeting is scheduled for 3/9/11 with the Director of Finance and Budget, the Executive's Chief of Staff, and the Director of DAS to develop a new auction policy.*

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- **Issue 5-** IAD met with the Maintenance Supervisor of Physical Plants and noted the following issues regarding the current work order system:
  - a. DAS currently has a manual work order system in place. The system consists of a Daily Work Sheet and a two part Maintenance/Repair Order slip. The following omissions or inconsistencies of information were noted during testing:
    1. There is a column on the Daily Work Sheet for a Work Order number, and there is box on the Maintenance/Repair Order slip for the same information. Of the items tested, there were Work Order numbers assigned to each request on the Daily Work Sheets, but there were no work order numbers on the Maintenance/Repair Order forms. Based on the fact that the number was missing, there was no way to confirm that the two entries were the same work order request.
    2. There were 23 out 120 instances where a Maintenance/Repair Order slip was prepared with no corresponding line item on the Daily Work Sheet.
    3. There were 53 out of 91 instances where entries were made on the Daily Work Sheets with no corresponding Maintenance/Repair Order slip.
    4. There were 9 out of 120 instances where Maintenance/Repair Order slips existed but it could not be determined if there was a corresponding line item on the Daily Work Sheet.
    5. The Maintenance/Repair Order slips have an area where start time/end time can be entered, but it is not being used.
    6. Verification that the work has been completed was not signed off by the requesting department.
  - b. The DAS is unable to track workload statistics, such as number of work requests completed by maintenance staff in a month or year, or the number of requests made by departments in the same time frame.
  - c. There is no formal process for tracking inventory used on projects.
  - d. There is no formal scheduling process. Per the Maintenance Supervisor, work is assigned as requests are phoned in or projects are scheduled (i.e., departments are moving, renovations, etc.). If there is little work scheduled, the maintenance staff is assigned to preventative maintenance.

Without complete data from the above mentioned documents, the DAS is unable to determine accurate staffing ratios, employee schedules, personnel performance, productivity analysis, evaluation of projects, or inventory used. Upon discussion with the Deputy Director of Physical Plants, he is currently researching an automated work order systems; however, there are no funds available in the 2008 budget.

*On 1/6/11, IAD met with the Deputy Director of Physical Plants and the Building Services Manager to perform an observation of the work order system that is currently used for the maintenance department. It was noted that the system has several job monitoring reports but they are not currently being utilized as the system is rather cumbersome. DAS is currently in the final stages of selecting a new software package that is more robust, as it is web based, that can handle the needs of the department.*

- **Issue 6-** Upon physical observation and during testing, IAD was unable to trace items, by tag number, from the Executive Order to the storage facility, based on the fact that different policies, thresholds, and criteria exist for individual departments/Elected Officials. Because of these differences, IAD was

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unable to perform accurate and consistent tracking of certain items within the sample. The following is an explanation of IAD's remaining findings:

- Two of the twenty-five assets that should have been located at the storage facility, were sold at the last auction. The Executive Orders for these assets were dated within the scope; however, since the assets were taken to auction prior to having proper approval, these assets were not located at the warehouse.
- At the time of testing, per the Maintenance Supervisor, there were eleven of the twenty-five assets with an Executive Order that had not been picked up. Therefore, IAD was unable to trace these assets to the warehouse. The dates on the Executive Orders ranged from 10/2/07 to 1/16/08, IAD's testing was on 3/12/08.
- IAD could not trace four of the twenty-five assets by description or tag number.

*A meeting is scheduled for 3/9/11 with the Director of Finance and Budget, the Executive's Chief of Staff, and the Director of DAS to develop a new auction policy.*

- **Issue 7-** Upon physical observation of the storage facility, IAD selected a sample of twenty items that possessed a Summit County inventory tag for testing. IAD was unable to trace, by tag number, eight out of twenty assets from the warehouse to an Executive Order.

*Upon review of the policies and procedures and through conversations with the Deputy Director of Physical Plants, on 1/5/11, it is noted that nothing gets moved by DAS personnel without an Executive Order or authorization from the Director of DAS and/or the County Executive. Per discussions with DAS personnel, the inventory currently being stored had to be quickly moved and was not placed on an Executive Order; however this was authorized by the Director of DAS. Therefore, IAD deems this management action plan partially implemented.*

- **Issue 9-** Upon physical observation of the storage facility, IAD selected ten scrap assets, which possessed a Summit County inventory tag as a sample for testing. During testing, ten out of the ten assets selected were unable to be traced, by tag number, to the following supporting documentation:
  - Executive Order
  - 2007 and 2008 Disposal Orders log
  - County of Summit Declaration of Surplus Inventory form

*Upon review of the policies and procedures and through conversations with Jon Holland, on 1/5/11, IAD noted that the Physical Plants Division does not maintain a scrap inventory log, nor is it included in the policies and procedures as noted in the management action plan. On 3/2/11, IAD was provided an approved County of Summit Declaration of Scrap Metal Surplus Inventory log form which contained the following tracking fields:*

- a. Date
- b. Executive Order
- c. Department
- d. Tag/Serial #
- e. Description
- f. Recycling Center
- g. Price quote per pound/ton (3 quotes)
- h. Employee and supervisor signature

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- **Issue 14-** IAD noted the following issues upon observation and review of the SCAMP database and its manual:
  - a. There is no user password required for login by employees into the Main Switchboard, allowing no authentication of an employee into the system.
  - b. Upon observation and discussion with the Animal Control Manager, employees can overwrite fees with each transaction.
  - c. The database does not have the ability to show the amount received for payment and the amount of change due. Therefore, there is no means for tracking money going in and out of the facility using the current database.

*IAD met with the Animal Control Manager, on 1/12/11, and confirmed that the fee fields in the SCAMP database are locked and cannot be changed, with the exception of the license and license penalty fields. IAD also obtained and reviewed a policy and procedure for handling funds throughout the workday and noted that funds will be issued to one Poundkeeper each day. Additionally, the Director of Administrative Service of the Animal Control facility is in the process of implementing the Pet Point Animal Management System, which will replace the SCAMP database. The target completion date for the implementation is June 2011. IAD will attend the training session for the new system at that time in order to evaluate the internal control structure.*

*IAD recognizes that the DAS has corrected this issue with respect to the SCAMP system, but is issuing a Partially Implemented status because of the planned implementation of the Pet Point Animal Management System. Upon implementation of the new software system, IAD will perform testing to confirm that the same issues are not carried over into the new system.*

- **Issue 16-** Upon review of the Animal Control contracts provided by the Law Department, IAD noted that there were four municipalities with billing activity in 2006 and 2007 that did not have contracts with Animal Control.
  - City of Barberton
  - City of Monroe Falls
  - Village of Reminderville
  - Village of Lakemore

Upon further discussion with the Animal Control Manager, IAD was informed that there are no copies of contracts maintained at the Animal Control facility.

*IAD reviewed the contract database, maintained by the Law Department, and noted that a copy of the current contract was not located in the database for eight of the eighteen municipalities with billing activity in 2011. IAD confirmed such with the Law Department Paralegal on 1/19/11. On 3/3/11, IAD confirmed that contract renewals were sent but not received for three of the eighteen municipalities; and of the remaining five municipalities with no contract sent or received, only two had outstanding balances of \$216 and \$28.*

- **Issue 18-** Upon review of the Telecommunications department expenditures selected for detailed testing, IAD noted five out of ten expenditures that were not signed as “Approved to Pay.” Upon discussion with the Administrative Secretary, if the expenditure were a phone company bill for service, the Telecommunications department would not sign off for payment. IAD noted that the expenditures were phone company bills, ranging from \$914.67 to \$58,391.52.

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*On 1/11/11, IAD attempted to contact the Director of DAS and the Deputy Director of Administration via e-mail but received no response. Additionally, IAD reviewed four of the twelve telephone bills paid in 2011 and noted that none of the invoices contained evidence of review or approval by DAS. On 3/2/11, IAD obtained and reviewed an approved Telephone Bill Policy, effective 3/1/11, and noted that the policy stated that all bills will be reviewed by Telecommunications staff and approved by the Director of DAS.*

**Management Action Plans Not Implemented:**

- **Issue 2-** The DAS does not have written policies and procedures for the building maintenance function. The department primarily operates based on immediate maintenance needs, work requests, and a system of preventive maintenance. Significant control issues related to operational efficiency and effectiveness are not addressed in this type of informal system. IAD noted the following issues upon follow-up with the Deputy Director of Physical Plants:
  - a. There is no formal process for prioritizing work; assignments are made as requests are received.
  - b. Maintenance Supervisors are given no documented guidance regarding how to monitor labor and materials consumed by their staff. This increases the risk of inefficiencies in the utilization labor and materials.
  - c. The Facilities Management department does not have a process for assigning staff in such a way as to maximize productivity. The department assigns maintenance staff to various buildings around the County (i.e., one maintenance man assigned to the Safety building, one maintenance man assigned to the Court House, etc.).
  - d. There is no formal, written process for preventive maintenance, which could result in shortened useful lives of equipment, more costly repairs, and equipment operating at less than optimum efficiency. The Maintenance Supervisor indicated that preventive maintenance is performed, however, it is not being tracked. IAD recognizes that work is contracted out for the larger County buildings; however, the Physical Plants department is responsible for the preventive maintenance work for the smaller buildings and projects.

*On 1/5/11 IAD obtained and reviewed the Physical Plants Department Operating Policies and Procedures manual. It was noted that they either require revision, as processes have changed, or are missing. Included for maintenance personnel were checklists to be utilized but did not contain any policies or procedures.*

- **Issue 13-** Eight out of thirty-one deposits made in August 2007 were not in accordance with O.R.C § 9.38, which states, "...deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt..." IAD contacted the Animal Control Manager on 1/2/08 to confirm whether she had such a policy in place for Animal Control. She confirmed that there was not a written policy in place for deposits.

*IAD reviewed a policy and procedure for Taking funds to the Fiscal Office, which stated that the pay-in will be delivered to the Fiscal Office the following weekday after collection, unless review is needed by the Animal Control Manager, which will then be paid-in within three days of collection. However, O.R.C. § 9.38 states that if the deposit is greater than \$1,000, it needs to be paid-in the next business day. Additionally, IAD randomly selected Animal Control Drop-off Reports for five days and noted two instances where funds were not deposited timely.*