

**Summit County Dept. of Administrative Services
Preliminary Report**

07-AdmSvcs.Exec-50

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MARCH 26, 2009**

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**Summit County Department Administrative Services
Preliminary Audit Final Report
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**Summit County Department of Administrative Services
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Background**

General Background:

The primary goal of the Department of Administrative Services is to oversee many of the inter-governmental projects and day-to-day operations of the county government. This organization of Summit County is organized under the authority of the County Executive, and includes the Physical Plants/Facilities, Capital Projects, and Community Services divisions.

The Physical Plants/Facilities division is responsible for maintaining all county-owned buildings and assisting in the renovation of other county buildings.

The Capital Projects Division oversees new construction and provides management of projects outlined in the county's Capital Improvements Plan.

The Community Services Division includes Animal Control and Telecommunications. Animal Control provides shelter for stray animals, responds to citizen complaints and presents information on pet care. Telecommunications maintains the county phone system for most county buildings

Source: <http://www.co.summit.oh.us/executive/adminsrvcs.htm>

**Summit County Dept. of Administrative Services
Preliminary Audit Final Report**

AUDIT OBJECTIVES AND METHODOLOGY:

The primary focus of this review was to provide the Summit County Department of Administrative Services (DAS) with reasonable assurance, based on the testing performed, on the adequacy of the system of management control in effect for the audit areas tested for 2007 and 2008 unless otherwise specified in the individual test area. The scope was opened to include 2006 for contract testing, as there were no major completed contracts within our original scope. Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance. Management is responsible for establishing and maintaining effective controls that, in general, include the plan of organization, as well as methods, and procedures to ensure that goals are met. Specific audit objectives include evaluating the policies, procedures, and internal controls related to the DAS Physical Plants, Capital Projects and Community Services departments.

Our review was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and accordingly included such tests of records and other auditing procedures as we considered necessary under the circumstances. Our procedures include interviewing staff, reviewing procedures and other information and testing internal controls as needed to assess compliance with policies and procedures.

Based on the results of our review, we prepared specific issues and recommendations for improvement that were discussed with management. These recommendations, as well as management's unaltered written response, can be found in the following sections of this report.

Specific Objectives:

1. To obtain and review the current policies and procedures.
2. To review the internal control structure through employee interviews and observation.
3. To perform a general overview of the physical environment and security of the facilities, data, records and departmental personnel.

Scope:

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by each department.

The following were the major audit steps performed:

OBJECTIVE 1 – POLICY AND PROCEDURES REVIEW

1. Obtain and review the current policies and procedures.
2. Meet with the appropriate personnel to obtain an understanding of the current department processes and procedures. Compare those existing processes to the policies and procedures manual for consistency, noting all exceptions.
3. Test procedures for mandatory compliance where applicable.
4. Identify audit issues and make recommendations where appropriate.

OBJECTIVE 2 – REVIEW OF INTERNAL CONTROLS

5. Meet with the appropriate personnel to obtain an understanding of the control environment.
6. Document the existing control procedures in narratives and/or flowcharts.
7. Compare existing processes to the policies and procedures manual for consistency.
8. Test procedures for compliance where applicable, noting all exceptions.
9. Investigate discrepancies and summarize results.
10. Make recommendations where appropriate.

OBJECTIVE 3 – REVIEW OF SECURITY

11. Perform a general overview of the physical environment and security of the department/ agency being audited.
12. Interview various personnel to determine that confidential information is secure and processed only by appropriate parties.
13. Obtain and review the document retention policy and determine if policies and procedures are currently in place and being followed.
14. Test security issues where appropriate.
15. Analyze current policies and make recommendations.

Interviews:

To gain an understanding of the DAS, IAD interviewed the following positions throughout the organization:

- a. Director
- b. Deputy Director Facilities
- c. Deputy Director Community Services
- d. Deputy Director Capital Projects
- e. Animal Control Manager
- f. Telecommunications Manager
- g. Office Manager for Physical Plants

The following issue was noted:

1. Issue:

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).

Recommendation:

IAD recommends that DAS develop, implement, and communicate formal operating procedures for all functional areas that the Physical Plants Office Manager is responsible for. This will help to

ensure that there are policies and procedures in place in the event that the individual responsible for these functions is unable to perform his/her duties.

Corrective Actions Prior to the End of Fieldwork:

IAD obtained and reviewed the following policies and procedures provided by the Physical Plants Office Manager:

- Procedure for Kronos-Payroll, effective 4/15/08
- Procedure for Paying Bills, effective 4/15/08
- Employee Separation Retrieval List, effective 4/15/08

Management Action Plan:

Detailed policies and procedures were developed for reconciling and vouchering invoices and doing payroll in Kronos and have been included. In addition DAS's Executive Assistant has been cross trained in all other aspects of the Assistant Administrator's position, i.e. contracts, answering phones, ordering supplies, etc.

**Summit County Dept. Administrative Services
Preliminary Audit Final Report
Detailed Comments**

I. Physical Plants:

A. Policies & Procedures Review:

IAD obtained and reviewed the following policies and procedures:

1. Procedure for Scrapping Items for the Physical Plants Department
2. Ohio Building Lockup Procedure, Revised 10/23/2000
3. Daily Custodial Checklist Criteria for:
 - a. SB floors 1, 2, 4, & CH Basement
 - b. 2525 State Rd., 2/4/05
 - c. 1030 E. Tallmadge Ave, 2/7/05
 - d. SB floors 3, 6, 7 Revised 4/18/05
 - e. Court House floors 1, 2, 3, 4, Annex 1, basement Exec. Probate, 5/2/05
 - f. New Court House floors 1, 2, 3, 4, & Annex Basements, 1/31/06
 - g. Ohio Building floors 1-8, 103, 210, 211 & Main St., 3/4/05
 - h. Juvenile Court floors 1, 2, 3, and ground, Revised 5/17/05
4. Courthouse Custodial Day Duties
5. Disciplinary Procedure for Bargaining Unit Employees
6. Custodial Procedure for Hazard Communication Program
7. Custodial Procedure for Inventory Control, Revised 5/31/05
8. Procedure for Requisition of Supplies, 1/20/05
9. Custodial Cleaning Procedures
 - a. Ohio Building, effective 3/21/05
 - b. Juvenile Court, effective 7/11/05
 - c. Court House, effective 5/2/05
 - d. Safety Building, effective 4/18/05

The following issues were noted:

2. Issue:

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.

Recommendation

IAD recommends that the Physical Plants department develop and document a comprehensive maintenance policies and procedures manual. This manual should cover asset procurement, preventive maintenance, inventory controls, labor standards and controls, asset records, maintenance records, and all aspects of reporting. These policies and procedures should include effective/revisions dates and approvals. This will ensure that procedures are in place to achieve departmental goals as well as ensuring that they are performed consistently.

Management Action Plan

This manual continues to be developed and will be concluded by August 2009. Currently we have assets that are being obtained through the procurement card program and through purchase orders which are covered under the County's purchasing policies and procedures and are strictly adhered to. In addition, our own internal policies are followed such as:

- a.) need for item is identified
- b.) supervisor authorizes purchase to be made
- c.) employee goes to vendor to make purchase
- d.) employee return said receipt or invoice to supervisor
- e.) supervisor lists all purchases on log and attaches receipt or invoice and sends to Assistant Administrator for payment to be processed (see attached log)
- f.) after payment is processed by Assistant Administrator it is reviewed and signed off on by Deputy Director
- g.) invoices are vouchered for payment and sent to Purchasing on a weekly basis.

Preventative maintenance programs have been updated and/or established for Board of Elections HVAC, Summit Center HVAC, NEFCO building, Building Standards at Tallmadge Avenue, Empire Lumber building on Gault Street and the Grounds Crew building on South Street and numerous preventative maintenance contracts for County owned facilities are in place with private vendors and are being incorporated into a database to insure that all maintenance i.e. HVAC contracts, elevator contracts, etc. are being properly adhered to. Copies of the preventative maintenance programs for Board of Elections and the Summit Center are enclosed. New preventative maintenance procedures are developed weekly and will be completely in place by June 2009.

In addition, our new electronic work order system will ensure inventory controls, labor standards and controls. Asset records and maintenance records will be closely monitored and available by building and office holder. This program will be online by April 1, 2009 and will provide greater accountability of individuals and County owned assets.

3. Issue:

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.

Recommendation:

IAD recommends that the Department of Administrative Services create and communicate written policies and procedures for the process of surplus auctions and related assets. The policies and procedures should address, but not be limited to, the following areas:

- Proper approval of all assets prior to pick-up for auction
- Proper identification of all assets at the time of pick-up
- Timeframe for each phase of the process
- Documentation of each asset
- Transportation of assets to the appropriate storage facility

This will help to ensure that all DAS employees involved in the surplus auction process and related assets follow the appropriate procedures.

Corrective Actions Prior to the End of Fieldwork:

On 4/28/08, IAD obtained and reviewed a draft copy of the Physical Plants Department Surplus Asset Disposal Due to Department Transfer, Auction, or Scrap policy and procedure. The Deputy Director of Physical Plants informed IAD that the policy and procedure will not be communicated throughout the county until the departments involved in the process have completed and implemented their portion. However, IAD was informed that the policy and procedure will be implemented within the Physical Plants Department, effective 4/23/08.

Auditors' Note:

IAD accepted the Auction Policy effective February 5, 2009.

Management Action Plan:

No action needed.

4. Issue:

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.

Recommendation:

IAD recommends that DAS create, implement, and communicate policies and procedures to reflect the appropriate processes of collecting and maintaining scrap assets. The policy should address, but not be limited to, the following areas:

- Proper approval of all assets prior to pick-up
- Timeframe for each phase of the process
- Documentation of each asset
- Transportation of assets to the appropriate storage facility
- Transportation of assets to the scrap dealer
- Receiving money for scrap
- Pay-in process

This will help make the process more efficient and help to ensure that employees are following the appropriate procedures.

Corrective Actions Prior to the End of Fieldwork:

On 4/28/08, IAD obtained and reviewed a draft copy of the Physical Plants Department Surplus Asset Disposal Due to Department Transfer, Auction, or Scrap policy and procedure.

Auditors' Note:

IAD accepted the Auction Policy effective February 5, 2009.

Management Action Plan

No action needed.

B. Internal Control Testing:

Internal control testing and/or observations were performed in the following areas:

- Expenditures
- Maintenance
- Asset disposals, surplus auction
- Asset disposals, scrap
- Parking deck

EXPENDITURES

IAD conducted an interview with the Physical Plants Office Manager, utilizing an internal control questionnaire, and performed a walkthrough to gain an understanding of the expenditure process for Capital Projects and Facilities. Additionally, the following information was obtained and reviewed:

- a. Instructions for online requisitions and purchase orders
- b. Requisition/Purchase Order Request form
- c. Example of an excel spreadsheet used to track amounts remaining on open P.O.s
- d. Example of a log used by the DAS employees who receive goods from the Ohio Building, Juvenile Court, Summit County Jail, and Facilities at State Road

Obtained and reviewed a Department of Physical Plants-Facilities Web Focus Expense Report of all vouchered expenditures, created from data in the Banner system, which included all invoices with (INEI) and without encumbrances (INNI) from Fund Code 10003 and Org # 1136, from 1/1/07 through 12/31/07. IAD reviewed the report for reasonableness, and judgmentally selected 30 expenditures for testing.

No issues were noted.

MAINTENANCE

IAD met with the Deputy Director of Physical Plants and the Maintenance Supervisor to determine if the Physical Plants Department utilized a work order system, and to gain an understanding of the chargeback process to departments requesting/provided work.

The following issue was noted:

5. Issue

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.

Recommendation

Although the DAS does have a manual work order system, IAD recommends that the Deputy Director of Physical Plants continue researching automated work order systems that would meet the needs of the DAS. At a minimum the system should have the following capabilities:

- a. Productivity reporting of each maintenance staff, to include the number of jobs completed by type of job, productive hours, and comparison of expected hours to actual hours.
- b. Work orders per County building, to include staff hours and costs.
- c. Total annual maintenance costs for each building, including routine and preventive maintenance.
- d. Work order response time, to include the number of work orders submitted, number completed, number still pending, and average days of response time.
- e. Comparison of actual versus expected completion times by type of work order and staff person to identify any areas needing improvement.

The framework of the current manual system consists of a Daily Work Sheet and two part Maintenance/Repair Order slips, which, if properly and consistently utilized is a good interim solution. IAD recommends the following changes to the current manual system:

- a. The Work Order numbers assigned to each line item of the Daily Work Sheet should be transferred to the respective Maintenance/Repair Order slip.
- b. The time field on the Maintenance/Repair Order slip should be used to include start time and completed time.
- c. An authorized person from the requesting department should verify, with a signature, that the work requested was satisfactorily completed.
- d. A daily reconciliation should be prepared by matching all line items on the Daily Work Sheet to its respective Maintenance/Repair Order slip to verify that all departmental requests for maintenance are satisfied.

Management Action Plan

As previously mentioned this system will be in place by April 1, 2009 and will be able to monitor the productivity of the maintenance staff, staff hours and cost per county building, total maintenance cost for each building and department and length of time needed to complete work order.

ASSET DISPOSAL (Surplus Auctions)

IAD obtained and reviewed Codified Ordinance 177.18: "Sale or Disposal of Personal Property Not Cumulatively Exceeding \$15,000", 177.19: "Sale or Disposal of Personal Property Cumulatively Exceeding \$15,000", and 177.21: "Disposal of Personal Property" from the Summit County Codified Ordinances website. IAD obtained and reviewed auction documents from the last auction, held on 9/21/07 and 9/22/07, from the Executive Assistant, to gain a general understanding of the auction process.

Interviews were conducted with the Deputy Director of Physical Plants and the Building Maintenance Supervisor, utilizing a questionnaire, to gain an understanding of the asset disposal process regarding these auctions. Various other documents were obtained and reviewed, including the Agreement for Auctioneer Services and the County of Summit Policy for the Disbursement of Surplus Property.

The Director of Administrative Services, Purchasing Agent and Executive Assistant I were contacted to gain additional understanding of the surplus equipment process. The Purchasing Agent provided IAD with a log of 2007 surplus equipment (auction orders and disposal orders), and a log of 2008 current surplus inventory (auction orders and disposal orders). Twenty-five assets were judgmentally selected for testing.

IAD observed the storage facility for surplus auction assets, and randomly selected a sample of twenty auction order assets, located at the storage facility, for supporting documentation, e.g., Executive Order, Surplus Asset Log, or Declaration of Surplus Inventory Form.

The following issues were noted:

6. Issue:

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 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.

Recommendation:

IAD recommends that DAS maintain a listing all assets that are picked up and taken to the storage facility prior to the auction. The log should include, but not be limited to the following:

- The Executive Order number providing proper approval
- The date the asset was picked up
- The department from which the asset was picked up
- A description of the asset
- A pre-assigned DAS inventory tag number

This will help to ensure that there is a complete inventory of all assets maintained at the storage facility. This will also provide a method to track and monitor all assets, and help to ensure that there is proper approval for each asset maintained at the storage facility.

IAD recognizes that DAS is not responsible for placing Summit County inventory tags on assets, nor are they responsible for making sure that each asset possesses one. However, since DAS maintains all auction ordered assets prior to the auction, this will offer a method for DAS to provide reasonable assurance that all assets are accounted for.

Management Action Plan

Auction Policy has been developed and reviewed by Executive Administration and review by IAD and will continue to be monitored and changed as needed.

7. Issue:

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.

Recommendation:

IAD recommends that DAS not transport any assets into storage until they have confirmed that there is proper approval (i.e., Executive Order).

Management Action Plan

As part of Surplus Auction Items DAS has instituted the policy that no items can be moved without an Executive Order. Only the County Executive and Director of DAS can authorize the removal of items without an Executive Order first being obtained. This will be done only in emergency situations. The effective date on this policy is February 5, 2009.

ASSET DISPOSAL (Scrap)

IAD obtained and reviewed Codified Ordinance 177.18: "Sale or Disposal of Personal Property Not Cumulatively Exceeding \$15,000," 177.19: Sale or Disposal of Personal Property Cumulatively Exceeding \$15,000," and 177.21: "Disposal of Personal Property." Interviews were conducted, utilizing questionnaires, with the Director of the DAS, Executive Assistant, Maintenance Supervisor, and the Physical Plants Office Manager to gain an understanding of the scrap process.

IAD visited the scrap storage area where ten scrap assets were judgmentally selected for testing. IAD was unable to trace any of the assets located at the storage facility to an Executive Order, or to the 2007 and 2008 disposal orders log or to a Declaration of Surplus Inventory form.

IAD obtained and reviewed the 2007 scrap pay-in memos from the Physical Plants Office Manager to gain an understanding of the scrap pay-in process, and to determine when and how often assets were taken to scrap. Verification of signatures on the memos was performed. IAD generated a pay-in report for all 2007 scrap pay-ins to verify dates and amounts of all scrap pay-ins for 2007.

The following issues were noted:

8. Issue:

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.

Recommendation:

IAD recommends that, each time assets are taken to the scrap yard, the individuals obtain a weigh-in slip from the scrap dealer.

Management Action Plan

Scrap policy has been developed by DAS and reviewed by the Internal Audit Department and a weigh-in slip is collected every time from the scrap dealer. Effective date of policy is February 5, 2009.

9. Issue:

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

Recommendation:

IAD recommends that DAS maintain a listing all assets to be scrapped. The log should include, but not be limited to the following:

- The Executive Order number providing the proper approval
- The date the asset was picked up
- The department from which the asset was picked up
- A description of the asset
- A pre-assigned DAS inventory tag number

This will help to ensure that there is a complete inventory of all assets that are being maintained at the storage facility to be scrapped. This will also provide a method for DAS to track and monitor all assets and help to ensure that there is proper approval for each asset maintained at the storage facility.

IAD recognizes that the DAS is not responsible for placing Summit County inventory tags on assets, nor are they responsible for making sure that each asset possesses one. However, since DAS maintains all auction order assets, this will offer a method for the DAS to provide reasonable assurance that all assets are accounted for.

Management Action Plan

Scrap log has been incorporated into the Auction Policy and all records including Executive Order, the date the asset was picked up, the department from which the asset was picked up, a description of the asset and a pre-assigned DAS inventory tag number are logged.

PARKING DECK

Upon discussion with the Deputy Director of Community Services, IAD noted that the new contract with the parking garage operator, Ampco Systems Parking, has not been signed. Additionally, the PARC/S CTR system recently purchased by the DAS to track revenue, cash collection, etc. is not being utilized for reconciliation purposes or reporting and monitoring. Therefore, because there are no formal systems in place and because the Office of Budget and Management is currently working with the DAS to incorporate a reconciliation and monitoring process, IAD passed on further testing.

II. Capital Projects:

A. Policies & Procedures Review:

IAD obtained and reviewed the following policies and procedures:

1. Form of Proposal
2. Instructions to Bidders
3. Professional Services Agreement
4. County of Summit Project Labor Agreement
5. General Conditions to the Agreement between the County of Summit, Ohio and the Contractor when a Design Professional is involved in the project
6. Agreement between the County of Summit, Ohio and the Design Professional
7. General Conditions to the Agreement between the County of Summit, Ohio and the Contractor where a Design Professional is not involved in the project
8. General Conditions to the Agreement between the County of Summit, Ohio and the Contractor when a Design Professional and Construction Manager are involved in the project
9. Agreement between the County of Summit, Ohio and the Contractor
10. Agreement between the County of Summit, Ohio and the Construction Manager
11. Chapter 177 of the Codified Ordinances – Board of Control, Contract Procedures
12. Request for Qualifications
13. General Conditions to the Agreement between the County of Summit, Ohio and the Contractor when a Design Professional and Construction Manager are involved in the project

The following issue was noted:

10. Issue

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.

Recommendation:

IAD recommends that the Capital Projects department develop, implement, and communicate a process that will help to ensure that any assets provided to contractors by Summit County are returned upon completion of the contract. This listing should include, at a minimum, the following:

- a. The type of asset provided
- b. To whom it is provided
- c. Date the asset is provided
- d. Date the asset is returned
- e. Signature of individual distributing the assets
- f. Signature of recipient

Management Action Plan:

No County assets will be given or loaned to contractors by the County of Summit. Effective date of policy is January 2, 2009.

B. Internal Control Testing:

Internal control testing and/or observations were performed in the following areas:

- Bidding (RFQ/RFP)
- Change orders
- Fixed assets supplied to contractors
- Contract documents
- Applications for payment

IAD obtained and reviewed the Ohio Revised Code § 153.01, Chapter 177 of the Codified Ordinances – Board of Control Contract Procedures, Request for Qualifications and General Conditions to the Agreement between the County of Summit, Ohio and the Contractor when a Design Professional and Construction Manager are involved in the project. Interviews were conducted with the Deputy Director of Capital Projects, Deputy Director of Physical Plants, Maintenance Supervisor, Executive Assistant, Director of Purchasing and Purchasing Specialist II to gain an understanding of the entire contract process. IAD obtained and reviewed a listing of all Physical Plants contracts and change orders from 5/9/89 to 2/25/08 from the Executive’s Office execscan on ‘jupiter’ (Y:) share drive (Y:\Law_Contracts\ Shortcut to contract_index) to gain an understanding of the Physical Plants’ contracts in 2006 and 2007. The execscan drive lists all contracts on record with the Executive’s Office. The report was filtered to include only contracts originating in 2006 and 2007 and all change orders originating in 2006 and 2007. IAD obtained and reviewed a listing of all countywide contracts that were approved by the Board of Control and/or Council from the Purchasing Specialist II, and sorted the report to include only the Physical Plants Department contracts from 1/1/06 to 12/31/07. Additionally, the Court House expansion project that began in late 2002 with pre-construction planning was selected, as there were no major construction projects completed in the original scope. IAD obtained and reviewed a listing of countywide contracts from the Executive Assistant for all contracts that were sent to the Legal Department for review. IAD traced and agreed start dates of Capital Project contract listing with actual contracts located in the storage room and offices of the Capital Projects department to ensure IAD had a complete population. Only completed contracts on the listing were tested. Eleven contracts and their respective change orders were tested.

No issues were noted.

III. Community Services – Animal Control:

A. Policies & Procedures Review:

IAD obtained and reviewed the following policies and procedures:

1. County of Summit Department of Animal Control Outside Agency Handbook of Policies and Procedures
2. County of Summit Department of Animal Control Handbook of Policies and Procedures

The following issue was noted:

11. Issue

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.

Recommendation:

IAD recommends that the Animal Control Manager review and update all policies and procedures as needed and communicate any new or revised policies and procedures to all employees. This will help to ensure that the employees are following the most updated processes.

Corrective Actions Prior to the End of Fieldwork:

IAD met with the Animal Control Manager and discussed the policy and procedures of the Animal Control facility. The Animal Control Manager informed IAD that she would incorporate all developed and updated policies and procedures into the existing manual and have all employees review and sign that they have received, read, and understand the manual. On 2/27/08, IAD obtained and reviewed the sign-off sheets for the Animal Control employees.

Management Action Plan

No action needed

B. Internal Control Testing:

Internal control testing and/or observations were performed in the following areas:

- Expenditures
- Cash collections
- Municipal charge backs
- Personnel Files

EXPENDITURES

IAD interviewed the Animal Control Manager, utilizing an internal control questionnaire, and performed a walkthrough to gain an understanding of the expenditure process for Animal Control. A Web Focus Expense Report of all vouchered expenditures, created from data in the Banner system, was generated. The report included all invoices with (INEI) and without encumbrances (INNI) from Fund Code 20004 and Org # 5060, from 1/1/07 through 12/31/07. IAD reviewed the report for reasonableness and judgmentally selected 25 expenditures for testing.

No issues were noted.

CASH COLLECTIONS

Obtained and reviewed the County of Summit Department of Animal Control Employee Handbook of Policies and Procedures, and the County of Summit Department of Animal Control Outside Agency Handbook of Policies and Procedures from the Animal Control Manager. IAD noted that there were no cash handling policies and procedures within either handbook, therefore an observation and walkthrough of cash handling was performed, including reconciliation, to gain an understanding of the process. IAD interviewed the Animal Control Manager and the Secretary I, utilizing an internal control questionnaire, and obtained updated policies and procedures. IAD obtained and reviewed the Summit County Animal Management Program (SCAMP) database manual, from the Animal Control Manager, to gain an understanding of the system and the reports that it can generate. In addition, she provided access levels for all employees into the database. IAD generated Summit County Animal Control Pay-in Reports for 2006 and 2007, utilizing Banner, and randomly selected one month from 2007 to test cash receipts.

The following issues were noted:

12. Issue

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.

Recommendation

IAD recommends the Animal Control Manager monitor all employee activity to help ensure that segregation of duties is being followed properly and effectively.

Corrective Actions Prior to the End of Fieldwork:

IAD obtained and reviewed policies and procedures, which outline the division of responsibilities and provides for proper segregation of duties for employees.

Management Action Plan

The draft policies were made permanent with the effective date of February 25, 2008.

13. Issue

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.

Recommendation

IAD recommends that the Animal Control facility complete daily deposit procedures in accordance with O.R.C. § 9.38. This will help to ensure that deposits are made timely and efficiently.

Corrective Actions Prior to the End of Fieldwork:

IAD obtained and reviewed a policy, which states that deposits to the Fiscal Office will be made the following weekday after it has been collected, in accordance with O.R.C. § 9.38.

Management Action Plan

The draft policies were made permanent with the effective date of February 25, 2008.

14. Issue

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.

Recommendation:

IAD recommends that Animal Control obtain a new software application that has a cash-handling module incorporated into the system containing the appropriate level of controls.

Corrective Actions Prior to the End of Fieldwork:

IAD discussed, observed, and/or confirmed the following with the Animal Control Manager:

- A policy and procedure was developed which addresses handling funds throughout the workday, and assigns one employee each day to conduct all transactions.
- The fee fields in the SCAMP database are locked and cannot be changed with the exception to the license and license penalty fields. These are not locked due to the fact that not all animals consistently will need a license. This will vary from animal to animal (e.g., cats do not need to have a license verses dogs who are required to).

Management Action Plan

No action needed.

MUNICIPAL CHARGEBACKS

IAD Obtained and reviewed the County of Summit Department of Animal Control Employee Handbook of Policies and Procedures, and the County of Summit Department of Animal Control Outside Agency Handbook of Policies and Procedures from the Animal Control Manager to gain an understanding of the municipal charge back process. In addition, IAD obtained and reviewed the Summit County Animal Management Program (SCAMP) database manual from the Animal Control Manager to gain an understanding of the system and the municipal billing functions within it. The Director of Administrative Services and the Animal Control Manager were interviewed, utilizing an internal control questionnaire. IAD obtained and reviewed the pay-in procedures for Animal Control revenue from the Fiscal Officer 3, to gain an understanding of that process. A Summit County Animal Control Pay-in Reports for 2006 and 2007 was generated utilizing Banner to test for accuracy of application of pay-ins. Twenty municipalities were tested. A listing of contracts between Summit County and the municipalities was obtained. Sixteen contracts were obtained, reviewed and tested.

The following issues were noted:

15. Issues

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.

Recommendation:

IAD recommends that, each month, the Animal Control Manager perform a reconciliation of what was invoiced to what was paid-in to the Fiscal Office, utilizing Banner for the pay-in information. Additionally, IAD recommends that dates be placed on all invoices. This will help to ensure more efficient and accurate payments and reconciliations.

IAD also recommends that the Animal Control Manager send the billings out consistently each month. This will help, during the reconciliation process, to ensure that payments are being made timely and accurately. Additionally, once the monthly reconciliation process is performed, any remaining balances should be included on the next outgoing bill, as a past due amount and included in the total due.

IAD further recommends that the Animal Control Manager create a document, which states the new procedures that will be taking place with regard to the municipal billing, and include a copy of this with the next cycle of billings mailed out to the applicable municipalities.

Corrective Actions Prior to the End of Fieldwork:

IAD observed and confirmed the following with the Animal Control Manager:

- There are now dates on the billings.
- Billings will be mailed on the same day each month.
- Reconciliation of pay-ins to billings is currently being performed utilizing the Banner system.

Management Action Plan

No action needed.

16. Issues

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.

Recommendation:

IAD recommends that DAS contact the Law Department regarding the four contracts. IAD also recommends that the Animal Control Manager obtain copies of all current municipal billing contracts from the Law Department and maintain them at the Animal Control facility. This will help to ensure that, when contacted by municipalities, Animal Control has the terms of the current contract readily available for any questions or concerns that could/may occur.

Corrective Actions Prior to the End of Fieldwork:

The Director of DAS informed IAD that the four absent contracts have been drawn up by the Law Department and were sent out on 4/11/08.

Auditors' Note:

IAD will follow-up and verify the above with the Law Department.

Management Action Plan:

No action needed.

PERSONNEL FILES

IAD obtained and reviewed a listing of current and terminated Animal Control employees, utilizing WebFocus, a software package that extracts data from Banner, and selected twelve active employees to test for the required certification documentation in their personnel file. IAD obtained and reviewed the Animal Control certification requirements from the Ohio Revised Code (ORC) § 4729.532, to gain an understanding of the requirements applicable to Animal Control employees who perform euthanasia procedures. Copies of Euthanasia Certifications, maintained at the Animal Control facility, for Animal Control employees were obtained from the Animal Control Manager.

The following issue was noted:

17. Issue

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.

Recommendation

IAD recommends that the Animal Control Manager submit employee certifications to the Summit County Human Resource (HR) Department to bring all HR personnel files up to the current expectations, regarding certifications, in accordance with the ORC § 4729.532. This will help to ensure that the appropriate certification documentation is present in the personnel files.

Management Action Plan

All employee certifications were copied and submitted to the County's Human Resource Department to be put into the respective employees' personnel files.

IV. Community Services:

Upon discussion with the Office of Finance and Budget, a complete audit was performed, approximately two years ago, of the telecommunication lines and charges. Additionally, Summit County is proposing the implementation of the new voice over IP system to take place by the end of 2008, creating new processes for the telecommunications department. As a result, IAD passed on all testing of the telecommunications department with the exception of expenditures.

However, IAD did gain an understanding of the process for processing internal work orders throughout the other county departments through discussions with telecommunications Administrative Secretary and Fiscal Officer 3, a review of the policies and procedures for work orders, and a walkthrough of the chargeback process. Though no formal testing was performed, IAD was able to address some areas of improvement and make recommendations to further strengthen the procedures for the current process.

The following issue was noted regarding IAD's testing of the telecommunications department expenditures:

18. Issue

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.

Recommendation

IAD recommends that management review all telephone company related expenditures to ensure the charges appear reasonable. This will help ensure that only reasonable charges are paid.

Management Action Plan:

Telecommunications management is reviewing all telephone related invoices to make sure the charges appear to be reasonable. The effective date of this policy is January 2, 2009.

V. Security:

Security issues noted during fieldwork are addressed under separate cover in the accompanying report in compliance with Ohio Revised Code §149.433²⁴⁸.