

SUMMIT COUNTY, OHIO

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

February 01, 2005

David Hannan Jr.
County of Summit Clerk of Council
175 South Main Street
Akron, Ohio 44308

Re: Final Report for the County of Summit Council's Preliminary Audit

Dear Mr. Hannan:

Attached is the final report of the County of Summit Council's preliminary audit which was discussed with members of senior management on June 30, 2004. In addition, please note that the County of Summit Council's management action plan was incorporated into the final report.

The report was approved by the Audit Committee at its December 17, 2004 meeting at which time it became public record.

We appreciate the cooperation and assistance received during the course of this audit. If you have any questions about the audit or this report, please feel free to contact me at extension (330) 643-2655.

Sincerely,

Bernard F. Zaucha
Director, Internal Audit

cc: Audit Committee

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**COUNTY OF SUMMIT
COUNCIL**

**Preliminary Audit
04-COUNCIL-18
June, 2004**

**Approved by Audit Committee
December 17, 2004**

**Summit County
Internal Audit Department
175 South Main Street
Akron, Ohio 44308**

*Bernard F. Zaucha, Director
Lisa L. Skapura, Assistant Director
Dan Crews, Senior Auditor
Joseph P. George, Internal Auditor*

**COUNTY OF SUMMIT COUNCIL
PRELIMINARY AUDIT
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**COUNTY OF SUMMIT COUNCIL
PRELIMINARY AUDIT
BACKGROUND**

Auditors: Dan Crews and Joseph George

Background:

Summit County Charter, Article III states:

The County Council shall be the legislative authority and taxing authority of the County. It shall consist of eleven (11) members who shall be nominated and elected as provided in this Charter and in the manner provided by general law for County officers. County Council candidates shall be electors of the County at the time of filing declarations of candidacy and during their terms in office shall remain electors of the County and shall not hold or accept other public office or be employed by the County.

The three (3) members of County Council elected in 1990 shall serve as at-large members of County Council.

In the regular State election in 1992, eight (8) members of County Council shall be elected, one (1) member from each district.

The term of office for all County Council members shall begin on January 1, following the election.

Charter Section 3.01.3 states “County Council candidates shall be residents of the County for at least sixty (60) days immediately prior to filing of candidacy or appointment to fill a vacancy. District County Council candidates shall be residents of the district to be served for at least thirty (30) days immediately prior to filing of candidacy or appointment to fill a vacancy. Once elected or appointed, an at-large County Council member shall reside within the County during the tenure of the term and a district Council member shall reside within the County and district during the tenure of the term.”

Charter Section 3.03 regarding the powers and duties of Council states:

The legislative power of the County is vested in the County Council. All powers of the County Council shall be exercised by ordinance or resolution including, but not limited to, the following:

- (1) To appoint and provide for the compensation and duties of the Clerk of Council and such other assistants as the County Council determines to be necessary for the efficient performance of its duties.
- (2) To establish departments, and divisions and sections within departments, under the supervision of the County Executive, and such boards, agencies, commissions, and authorities as the County Council determines to be necessary for the efficient administration of the County.
- (3) To establish procedures under which the County Executive may employ experts and consultants in connection with the administration of the affairs of the County.
- (4) To establish procedures governing the making of County contracts and the purchasing of County supplies and equipment by competitive bidding.
- (5) To adopt and amend the annual tax budget, the operating budget and the capital

improvements program and to make appropriations for the County; however, County Council shall not have the power to levy and/or increase sales or use taxes by emergency measure by County Council to levy such taxes to a rate greater than the rate in effect and levied by County Council prior to January 1, 1993, shall not go into effect unless approved by a majority of the electors of the County at a primary or general election.

- (6) To determine which officers and employees shall give bond and to fix the amount and form thereof.
- (7) To provide for the acquisition, construction, maintenance, administration, rental, and leasing of property including buildings and other public improvements, as provided by general law.
- (8) To cooperate or join by contract with any municipality, county, state or political subdivision or agency thereof, for the planning, development, construction, acquisition, or operation of any public improvement or facility, or for a common service, and to provide the terms upon which the County shall perform any of the services and functions of any municipality or political subdivision in the County.
- (9) To provide for the procedure for making public improvements and levying assessments for such improvements.
- (10) To establish personnel procedures, job descriptions, rankings, and uniform pay ranges for all County employees of the County Fiscal Officer, Clerk of the Court of Common Pleas, Medical Examiner, County Engineer, Prosecuting Attorney, Sheriff, County Council, County Executive, including the Department of Jobs and Family Services and the Department of Human Resources.

Section 3.06 of the Charter relates to investigations by Council and states:

“County Council or any committee of Council is granted authority to investigate the financial transactions of any office, department or agency of County government and the official acts and conduct of any County official relating to any matter upon which Council is authorized to act. In conducting such investigations, the Council or any committee of Council may administer oaths and may, by majority vote, compel the attendance of witnesses and the production of books, papers and other evidence, and for the purpose may use subpoenas which shall be signed by the President of Council or the chair of the Council committee seeking a witness’ testimony and which may be served and executed by an officer authorized by law to serve subpoenas and other legal process....”

The Council approves persons to sit on the majority of board of trustees for County Boards, Commissions and Committees. Council approves any purchase over \$15,000 and the budgets of all County entities. Council approves salary increases above the midpoint of the salary ranges for County employees.

**COUNTY OF SUMMIT COUNCIL
PRELIMINARY AUDIT
OBJECTIVES**

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 existing contracts in the department.
4. 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 the department.

Testing Procedures:

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 – CONTRACT REVIEW

11. Obtain and review the current operating contracts, i.e., vendor contracts, union contracts, and service contracts.
12. Determine that contracts are current, properly executed, and applicable.
13. Test the contracts for departmental performance, where appropriate, noting all exceptions.

OBJECTIVE 4 – REVIEW OF SECURITY

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

**COUNTY OF SUMMIT COUNCIL
PRELIMINARY AUDIT
DETAILED COMMENTS**

It was noted throughout the preliminary audit of Council that the staff was extremely professional, cooperative, and helpful. The Council staff was proactive in addressing any possible issues identified during fieldwork.

I. Policies & Procedures Review:

The County Council Procedures Manual was obtained and reviewed by the Internal Audit Department. It was noted by IAD that the County Council Procedures Manual was comprehensive, concise and well organized.

Issue

No issues noted.

II. Internal Control Testing:

COMMENDATIONS

IAD commends the efforts of Council staff for continuously reviewing their system of internal controls for areas of improvement opportunities.

IAD also commends the Council staff in developing the Constituent Resource Database. This database was created to assist Council staff with addressing constituent concerns. Constituent concerns are entered into the database and it provides the constituent with the most accurate resources to solve their particular need.

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

- Interviews
- Personnel File Testing
- Liquor License Request Testing
- Annexation Testing

INTERVIEWS:

To gain an understanding of the County of Summit Council, IAD interviewed the following individuals:

1. David Hannan Jr., Clerk of Council
2. Sharley Greer, Deputy Clerk of Council
3. Regina Hanshaw, Staff Attorney

The following issues were noted:

Issue

There does not appear to be any formalized/documented program for employee training, cross training, or orientation. It was noted that employee cross training does take place at weekly staff meetings.

Recommendation

IAD recommends that a formalized/documented process for employee training, cross training, and orientation be established and included into either the Council Office Procedures Manual or the future Council Office Personnel manual. Weekly staff meeting agendas and minutes that include cross training should be incorporated with cross training procedures.

Management Action Plan

The Council Office has a comprehensive procedures manual that outlines many responsibilities of persons working within the office. It does not contain a section on *New Employee Orientation*. We have considered this recommendation and will include it in the manual.

The Council Office does provide informal training to all employees when first hired. The training consists of the following: completion of all necessary forms; review of charter, codified ordinances, council website (e.g. legislation, minutes, agendas, etc), procedures manual (overview of individual's responsibilities) and personnel regulations; orientation of the Ohio Building; introduction to other employees; as well as some less formal get acquainted staff activities.

As noted, cross training occurs at our weekly staff meetings.

Issue

A written draft of a Council Disaster Recovery Plan and County Council Office Personnel Manual was obtained and reviewed from the council staff during this preliminary review.

Recommendations

IAD recommends that the Disaster Recovery Plan and County Council Office Personnel manuals be finalized and implemented for the Summit County Council.

Management Action Plan

We have considered this recommendation and will be completing our portion of the manuals as quickly as possible. We will work with the other necessary offices to finalize these manuals.

Issue

A written policy or procedure was not in place for departmental interaction with the press.

Recommendations

It was noted that a majority of council information is public record, however, IAD recommends that a written policy or procedure be established for departmental communications and interaction with the press.

Management Action Plan

We have considered this recommendation and will make the current office policy part of the office procedures manual.

PERSONNEL FILES:

IAD tested personnel files to determine that the appropriate file documentation was included for each sample employee file selected from the active Council personnel. All employees were selected for testing. The following issues were noted:

Issue

No sign off sheet was noted in the personnel files indicating that Council employees have received a copy of the Council Office Procedure Manual, have read and understand the procedures, and agree to abide by the general nature of the procedures.

Recommendations

The sign off sheet was not noted as a personnel file requirement by the Clerk of Council, however, IAD recommends that this be part of all Council policy and procedure manuals and be included in the applicable personnel files of all staff members.

Management Action Plan

We have considered this recommendation and will make it a requirement.

Issue

Annual evaluations are not completed on all Council staff members.

Recommendations

IAD recommends that annual evaluations are established in departmental policies and procedures, are performed on all council staff members (possibly Council President could complete annual evaluation of the Clerk of Council), and that all personnel sign their evaluations evidencing their review of evaluation comments.

Management Action Plan

We have considered this recommendation and will begin evaluations for those employees not presently evaluated on a regular basis.

Issue

No listing of documents required in Council personnel files was noted.

Recommendations

IAD recommends that Council establish and document a listing of required documents that should be present in Council personnel files for both staff members and council members.

Management Action Plan

We have considered this recommendation and will create such a list.

LIQUOR LICENSE REQUEST TEST:

IAD tested liquor licenses to ensure that they were being processed in accordance with Council procedures for 2003. Fifteen liquor license requests were chosen for testing.

Issue

No issues noted

ANNEXATION:

IAD obtained and reviewed the "Procedures for Annexations/Road Vacations" from Council staff to gain an understanding of the annexation procedures. All annexations for 2003 were tested to ensure that they were processed in accordance with Council procedures.

Issue

No issues noted.

III. Contract Review:

Six operating contracts were haphazardly selected for review by IAD. The contracts were reviewed to ensure that they were current, properly executed by the County Executive, and applicable.

Issue

No issues were noted.

V. Security:

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