

Summit County Probate Court 1st Audit Follow-up General Report

Prepared For:

**The Honorable Judge Elinore Stormer
Audit Committee**

**Approved by Audit Committee
December 15, 2015**



**Summit County
Internal Audit Department
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Summit County Probate Court
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Auditors:

Lisa Skapura, Director; Meredith Merry, Assistant Director; Jon Keenan, Auditor-in-Charge; Brandon Schmidt and Mario Warren, Staff Auditors.

Objectives and Methodology:

To determine if management has implemented their management action plans as stated in the previously issued audit reports.

Follow-up audits are not required to be conducted under GAO Yellow Book Standards. Due to the nature of this engagement (e.g., following up on issues noted in the prior audit reports with limited planning/assessment of risk and no new issues identified), this audit follow-up was not conducted in accordance with generally accepted government auditing standards.

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 prior audit process.

Testing Procedures:

The following were the major audit steps performed:

1. Review the prior audit final reports 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 prior audit.
3. Review any departmental/agency response documentation provided to IAD with management action plan responses following the prior 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 audit follow-up report noting the status of previously noted management actions.

Summary:

Of the sixteen (16) issues and the corresponding management action plans noted in the prior audit report which required follow-up action, the Probate Court fully implemented twelve (12) and partially implemented three (3) management action plans. One (1) issue/management action plan was no longer applicable.

Based on the above-noted information, IAD believes the Probate Court has made a positive effort towards implementing the management action plans as stated in response to the issues identified in the General Audit Report and no further follow-up is necessary, at this time.

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Listed below is a summary of the issues noted in the audit follow-up report and their status. Each issue number is in reference to the previously-issued audit report:

MANAGEMENT ACTION PLANS NOT APPLICABLE:

Issue 6 - Upon testing of purchase order change requests, IAD noted one (1) out of eight (8) instances where the request was not properly approved.

Upon review of Banner transactions, IAD noted no change orders.

MANAGEMENT ACTION PLANS FULLY IMPLEMENTED

Issue 1 - Upon review of the Probate Court policies and procedures, no written or insufficient policies and procedures were noted for the following areas/functions:

- Interaction with the press
- Cash overages/shortages
- Receiving payments in the mail
- Reviewing dismissed costs
- Manual receipts (using, reconciling, storing, etc.)
- Personnel file checklist
- Presence of an HR employee when an individual is reviewing an employee file
- Receiving and maintaining decedent inventory
- Tracking of assets and asset disposal
- End-of-month disbursement checks sent to the Fiscal Office
- Guardianship annual report follow-up process
- Purchasing/Expenditures functions (Entering and approving responsibilities)
- Accounts Department functions for Estate Administration

Upon review of the Probate Court and Cashier's Policy and Procedure Manuals, IAD noted policies and procedures in place for all the above-noted areas.

Issue 2 - Upon review of the Probate Court policies and procedures for completeness and accuracy, IAD noted the following:

Probate Court Policy and Procedure Manual

- Unable to verify management approval

Cashier's Department Policy and Procedure Manual

- Unable to verify management approval
- No employee sign-offs on the manual
- Employee names are referenced (rather than titles)
- Applicable ORC references not made (Mediation Funds fees)

IAD reviewed these manuals and noted they are complete and accurate.

Issue 3 - During review of the CourtView system, IAD noted outstanding case balances dating back to 1949, totaling \$107,650.13. Approximately 81% of the outstanding case balances are receivables due from 2010 to the present.

IAD obtained the Probate Court updated policies and procedures and confirmed that it was updated to include procedures regarding outstanding case balances.

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Upon detail testing, IAD noted past due letters are sent to the interested party. IAD reviewed the Outstanding Case Balance Report and noted outstanding balances appear reasonable.

Issue 4 – Upon review of the Cashier's Office policies and procedures and discussion with the Bookkeeping Supervisor, IAD noted the Probate Court does not have a process for reviewing dismissed costs.

IAD obtained the Probate Court updated policies and procedures and confirmed that it was updated to include procedures for tracking dismissed costs. Upon detail testing, IAD noted dismissed costs are tracked and approved by the Supervisor.

Issue 7 – Upon review of the IT asset acquisition process, IAD noted the same employee is responsible for ordering and receiving IT equipment creating an improper segregation of duties.

IAD obtained an updated policy regarding the purchase and distribution of IT assets and confirmed proper segregation of duties was implemented. Upon detail testing of asset packaging slips, IAD noted the Probate Court secretary signs-off on the packaging slip in accordance with their updated policy.

Issue 10 – Upon review of payroll approval and sign-off in Kronos, IAD noted eight (8) out of eight (8) pay periods with improper approval (e.g., the same employee approving and signing off), creating an improper segregation of duties.

Upon detail testing, IAD confirmed proper segregation of duties was implemented.

Issue 11 – Upon discussion with the Court Administrator, IAD noted that the Probate Court does not maintain a checklist of required personnel file documents in each file. In addition, during detail testing of the personnel files, IAD noted eight (8) of nine (9) files that appeared to be incomplete.

Upon detail testing, IAD noted a completed checklist was maintained in the personnel files and the files appeared complete.

Issue 12 – Upon discussion with the Court Administrator and through detail testing, IAD noted that confidential records are maintained within each employee's personnel file, and not maintained separately.

Upon review of personnel files, IAD noted a separate confidential file has been created and is maintained separately.

Issue 13 – Upon discussion with the Probate Court Judge and through detail testing, IAD noted three (3) of nine (9) employees whose performance evaluations were not documented. It was confirmed with the Judge that they were given oral evaluations.

Upon review of personnel files, IAD noted that oral performance evaluations were administered and documented during the 2014 calendar year.

Issue 14 – Upon discussion with the Court Administrator, IAD noted employees' medical documentation is sent through interoffice mail to the Executive's Department of Insurance and Risk Management.

Upon review of the Probate Court updated Policy and Procedure Manual, IAD noted that insurance information will be scanned or emailed to Department of Insurance then destroyed.

Issue 15 – During detail testing of the 2013-2014 vehicle usage logs, IAD noted that logs are not completed or maintained for the one (1) non-exempt pool vehicle in accordance with Codified Ordinance 169.25(g).

Upon discussion with Probate Court personnel and review of the updated Policy and Procedure Manual, IAD noted that the vehicles are used for investigative work and are not required to complete a vehicle log.

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Issue 16 – During detailed testing of adoption procedures, IAD noted one (1) of three (3) instances where the Native American letter was not received from the adoption agency and no follow-up was conducted to obtain the letter.

IAD obtained the Native American letter and noted it was maintained in the proper adoption file.

MANAGEMENT ACTION PLANS PARTIALLY IMPLEMENTED:

Issue 5 – Upon testing of banner approval queues, IAD noted three (3) Probate Court employees with the ability to enter and approve requisitions. Additionally, upon detail testing of purchase order requisition approvals in Banner, IAD noted twenty-nine (29) out of twenty-nine (29) instances where the same individual entered and approved the purchase order requisition, creating an improper segregation of duties.

Upon detail testing, IAD noted requisitions are properly approved; however, employees still have the ability in Banner to approve a requisition that they entered.

Issue 8 – Upon detail testing of Probate Court's expenditures, IAD noted the following:

- Two (2) out of eighteen (18) instances where the invoice date was prior to the purchase order date.
- Three (3) out of eighteen (18) instances where a prior year purchase order was used for payment. The purchase order was used and closed in the first quarter of the year in one (1) of those instances.

Upon detail testing, IAD noted expenditures were properly encumbered prior to the purchase; however, IAD noted two (2) out of fourteen (14) instances, or 14%, where a prior year purchase order was used for payment.

Issue 9 – Upon discussion with the Court Administrator, IAD noted the Probate Court does not maintain a list of assets or asset disposals.

Upon detail testing of the Probate Court's Asset Listing, IAD noted all assets were accounted for; however, IAD could not perform detail testing on disposed assets because they are deleted from the listing.