



Maricopa County

Internal Audit Department

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To: Maricopa County Board of Supervisors

From: Mike McGee, County Auditor

Subject: Audit Recommendations Not Implemented Within One Year

Date: January 25, 2018

Our annual “Audit Recommendations Not Implemented Within One Year” report is attached. It identifies 71 open audit recommendations from 6 County agencies.

Our formal follow-up procedures increase the effectiveness of County operations by ensuring that recommendations are implemented. Internal Audit’s follow-up process and County leadership’s support and cooperation have resulted in 98% of audit recommendations being implemented within a three-year period. During the last three years (FY15 – FY17), Internal Audit issued 586 recommendations for improvement.

On occasion, County agencies are not able to implement all audit recommendations within one year. Valid reasons may include: (1) turnover—especially in leadership positions, (2) acquisition of IT systems, and (3) development of comprehensive policies and procedures. On the attached schedule, we note whether, in our judgment, implementation efforts by agencies have been satisfactory.

Please let me know if you have any questions or wish to discuss these items further.

Attachment

C: Board of Supervisors Chiefs of Staff
Joy Rich, County Manager
Valerie Beckett, Special Assistant to the County Manager
Reid Spaulding, Deputy County Manager
Shelby Scharbach, Assistant County Manager
MaryEllen Sheppard, Assistant County Manager
Paul Penzone, Sheriff
Ed Winfield, Chief Information Officer
Dr. Jeffrey Johnston, Chief Medical Examiner
Kevin Tyne, Chief Procurement Officer
Jan Plank, Human Resources Director

**MARICOPA COUNTY INTERNAL AUDIT
RECOMMENDATIONS OUTSTANDING MORE THAN ONE YEAR
as of January 25, 2018**

Report Date	Length of Time Outstanding	Audit	Number of Open Recommendations	Issue/Area	Recommendation	Target Date	Progress
10/8/12	5 Years, 3 Months	Contract: Office Depot - Office of Procurement Services	1 of 1	Contracts	Work with legal counsel to obtain reimbursement in the amount of \$5 million plus interest, due to Office Depot's failure to honor low-price guarantees.	Ongoing (Legal issue)	Satisfactory - In July 2013, the Board of Supervisors authorized the County Attorney's Office to agree to the County's participation in mediation or other appropriate dispute resolution processes; progress is ongoing.
8/7/14	3 Years, 5 Months	MCSO/DOF Billing for Detention Services (Jail Per Diem)	2 of 10	Policies and System	Consider initiating uncollectable accounts receivable proceedings for the State balance, or formally document justification for retaining receivable on the Jail Per Diem subsidiary ledger. Conduct periodic data analytics to detect unusual billing activity and ensure prompt corrective action.	2/28/18	Satisfactory - After the implementation of the CGI ERP system, DOF has established a schedule to update several policies. The uncollectable accounts review policy is scheduled to be completed in February 2018. MCSO is reviewing its Jail Per Diem data analytics needs with the jail management system (SHIELD) project team.
8/28/14	3 Years, 3 Months	MCSO Detention Intake & Release	4 of 22	Systems	Implement recommendations regarding Central Intake booking process, Victims' Rights, and performance measures.	FY 2019	Satisfactory - MCSO has implemented 82% of recommendations. The remaining recommendations are contingent upon the implementation of the new jail management system (SHIELD) in FY 2019.
7/22/15	2 Years, 5 Months	Human Resources Department	1 of 30	Policy and Procedures	Require that all non-exempt employees, who have not already done so, sign the most current HR Employee Acknowledgment form and return a copy to Employee Records.	3/30/18	Satisfactory - Human Resources has completed 97% of the recommendations. The remaining recommendation will be implemented through the HUB.
7/29/15	2 Years, 5 Months	MCSO Support Services	9 of 49	Policies and Procedures	Implement policies and procedures for managing: 1) property and evidence, 2) cash handling, and 3) records management.	3/30/18	Satisfactory - MCSO has made progress in implementing the recommendations. Remaining recommendations are related to updating procedures for property and evidence, cash handling, and records management.
1/26/16	1 Year, 11 Months	Office of the Medical Examiner	12 of 32	Policies and Procedures	Upgrade the case management system to ensure sensitive information is secured.	6/30/18	Satisfactory - Office of the Medical Examiner has completed 63% of the audit's recommendations. Most of the remaining recommendations will be satisfied with the implementation of the new case management system at the end of FY 2018.

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3/14/16	1 Year, 9 Months	MCSO Crime Lab	6 of 20	IT Security & Policies and Procedures	Monitor and report case turnaround time. Implement security features and firearms control policy.	6/30/18	Satisfactory - MCSO is evaluating the possibility of implementing a system to address open recommendations related to case management. MCSO has also made some progress in developing firearms policies. These policy additions are currently in draft form.
7/28/16	1 Year, 5 Months	MCSO Inmate Funds and Programs	32 of 54	Policies and System	Implement policies and procedures for: 1) releasing inmate funds, 2) tracking and recording vending machine receipts, 3) managing and evaluating inmate programs, and 4) tracking and recording canteen orders and inventories.	6/30/18	Satisfactory - MCSO has implemented most of the recommendations for managing and evaluating inmate programs. The remaining recommendations related to inmate fund releases, the inmate canteen, and vending machine receipts are in-process.
12/1/16	1 Year, 1 Month	Combined Charitable Campaign Agreement	2 of 6	Policies and Procedures	Develop policies and procedures for CCC and EASE program administration. Ensure the EASE fund is properly reconciled.	2/1/18	Satisfactory - County management has implemented 4 of 6 recommendations.
12/19/16	1 Year, 1 Month	OET Data Center	2 of 20	Policies	Update policies on virus and malicious code, and contingency planning.	3/30/18	Satisfactory - OET has implemented 90% of the recommendations.