



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: February 19, 2021

Our annual "Audit Recommendations Not Implemented Within One Year" report is attached. It identifies 44 open audit recommendations from 9 county agencies. We are supplementing this report with the status of recommendations issued by the Auditor General's Office, plus additional follow up performed for audit findings of county grant subrecipients.

County agencies have been dutiful in implementing their action plans. On occasion, however, county agencies are not able to implement all audit recommendations within one year. Valid reasons may include: (1) leadership turnover, (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
Reid Spaulding, Deputy County Manager
Lee Ann Bohn, Assistant County Manager
Valerie Beckett, Assistant County Manager
Cindy Goelz, Chief Financial Officer
Paul Penzone, Sheriff
Stephen Richer, Recorder
Joseph Welty, Presiding Judge of Superior Court
Diane Cabanillas, Superior Court Finance Manager
Ed Winfield, Chief Information Officer
James Haas, Public Defender
Phil McNeely, Air Quality Director
Robert Rowley, Emergency Management Director
Bruce Liggett, Human Services Director
Jennifer Toth, Transportation Director
Michael Fulton, Flood Control District Director

**MARICOPA COUNTY INTERNAL AUDIT
RECOMMENDATIONS OUTSTANDING MORE THAN ONE YEAR
as of February 19, 2021**

| Report Date | Length of Time Outstanding | Audit | Number of Open Recommendations | Issue/Area | Recommendation | Target Date | Progress |
|-------------|----------------------------|---------------------------------------|--------------------------------|---------------------------------------|--|---------------------|---|
| 4/11/17 | 3 Years, 8 Months | MCSO Patrol | 9 of 27 | Policies and Procedures & IT Security | Implement procedures regarding off-duty employment, use-of-force reporting, patrol resource allocation, IT user access, and review of Service Organization Control (SOC) reports. | 6/30/21 | Satisfactory - 5 recommendations - MCSO is close to resolving off-duty employment, use-of-force reporting, and patrol resource allocation. Unsatisfactory - 4 IT recommendations - MCSO IT division provides support to mission critical functions. User access policies and procedures have not been developed. Reviews of SOC audit reports have not been implemented. MCSO reports that Tech Bureau continues to experience a significant vacancy rate, which has limited their ability to address outstanding recommendations. |
| 6/5/17 | 3 Years, 6 Months | Superior Court Finance and Technology | 1 of 27 | Policies and Procedures & IT Security | Document a disaster recovery plan including procedures for an annual plan review and periodic testing. | 6/30/21 | Satisfactory - Superior Court has now implemented new hardware and cloud technologies to support its disaster recovery solution. Documenting and implementing a disaster disaster recovery plan will be a primary focus during 2021. |
| 12/14/17 | 3 Years | Cellular Devices | 2 of 102 Issued to 14 Agencies | Policies and Procedures | Establish and enforce written policies and procedures for cellular devices. | Various (by Agency) | Satisfactory - Implementation of recommendations at Recorder/Elections was paused during the 2020 election cycle. We are resuming follow-up in 2021. |
| 2/14/18 | 2 Years, 10 Months | MCSO Extraditions | 1 of 8 | Policies and Procedures | Review and update all policies and procedures that impact extradition travel for internal consistency and conformance with County policy. Areas of non-conformance should be approved through the MCSO chain of command and County management. | 6/30/21 | Satisfactory - MCSO plans to request an exception to county policy (from the BOS) in 2021. |
| 3/19/18 | 2 Years, 9 Months | MCSO Personnel Services | 1 of 15 | Policies and Procedures | Improve FMLA processing to ensure deadlines are met. | 3/31/21 | Satisfactory - MCSO is working toward implementing a leave management system that will address audit findings as well as improve overall efficiency and effectiveness of leave management. |
| 9/7/18 | 2 Years, 3 Months | Recorder's Office | 12 of 13 | N/A - see progress | N/A - see progress | N/A - see progress | Satisfactory - We are verifying corrective actions as part of our post-2020 election follow-up. |

**MARICOPA COUNTY INTERNAL AUDIT
RECOMMENDATIONS OUTSTANDING MORE THAN ONE YEAR
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| Report Date | Length of Time Outstanding | Audit | Number of Open Recommendations | Issue/Area | Recommendation | Target Date | Progress |
|-------------|----------------------------|---|--------------------------------|--|--|--------------------|--|
| Various | 2 Years, 3 Months | Elections | 5 of 59 | N/A - see progress | N/A - see progress | N/A - see progress | Satisfactory - We are verifying corrective actions as part of our post-2020 election follow-up. |
| 4/19/19 | 1 Year, 8 Months | Human Services - Workforce Development | 2 of 13 | Policies and Procedures | HSD -- Develop written policies and procedures to help ensure compliance with the fiscal agent provisions of the governance agreement; assign responsibility for operationalizing the requirements, and delineate procedures for ensuring compliance with applicable provisions of the WIOA. | 3/31/21 | Satisfactory - The Workforce Development governance agreement was updated in November 2020; HSD is working on updating its written procedures based on the agreement. |
| 6/20/19 | 1 Year, 6 Months | Emergency Management - Preparedness | 1 of 7 | Facilities | Work with county management to address concerns related to the MCDEM facility and Emergency Operations Center. | 6/30/23 | Satisfactory - MCDEM is working with county management on locating an existing building that may serve as a joint-use facility. |
| 7/26/19 | 1 Year, 5 Months | Flood Control District - IGAs | 1 of 6 | Project Management | Consider implementing a formal project tracking mechanism to improve efficiencies; and/or partner with the County's Continuous Improvement Team to identify ideal solutions. | 7/1/22 | Satisfactory - FCD is exploring real estate management systems that will house and support FCD project management needs. |
| 8/12/19 | 1 Year, 4 Months | MCDOT - Roadway Maintenance | 1 of 13 | Policies and Procedures | Consider tracking required training and certifications in a centralized process such as the HUB, the County's training management system. | 6/30/21 | Satisfactory - MCDOT is working with ITC to create a tracking application for training certifications. |
| 9/13/19 | 1 Year, 3 Months | MCSO Data Center | 3 of 4 | Data Retention, Protection & Disposal, Back Up & Recovery | Improve policies to ensure appropriate protection, tracking and disposal of electronic media; develop policies and procedures over IT back up and recovery; establish an electronic data retention policy. | 6/30/21 | Satisfactory - MCSO is actively working with Internal Audit on draft policies in each of the areas outlined. |
| 10/7/19 | 1 Year, 2 Months | MCSO Bonds, Fines, Court Processing | 5 of 7 | Court Processing, Staffing, Succession Planning | Improve written guidance to ensure case information is processed accurately; develop standardized approach to collecting and inputting case information; establish succession plan and cross-training; evaluate shift structures to ensure adequate coverage; develop desk manuals for critical job tasks. | 6/1/21 | Satisfactory - SIMS is working to address audit recommendations, some of which cannot be fully implemented until SHIELD phase 2 is complete. |
| | | | 44 of 301 | | | | |

**MARICOPA COUNTY INTERNAL AUDIT
REPORT SUPPLEMENT - ADDITIONAL FOLLOW-UP
As of February 19, 2021**

Auditor General Reporting Follow-up

Each year, the Auditor General’s Office issues a Single Audit Report for Maricopa County. We reviewed the most recent Single Audit Report and communicated with key county personnel as to the status of any current and prior findings.

| Report Period | Audit | Description | Finding Status |
|---------------|---------------------------------------|---|--|
| FY2019 | Auditor General – Single Audit Report | The audit considers the county’s compliance with applicable federal statutes, regulations, and the terms and conditions of its federal awards applicable to its major federal programs. The single audit report includes two other reports that focus on internal control and compliance related to the annual financial report and federal programs. The county is responsible for assessing the impact of the findings and determining if actions are needed. | There were four findings for internal control and compliance. Based on our discussions with key county personnel, all four findings may appear again in the FY2020 single audit report but are on track to be fully corrected during FY2021. All findings for previous fiscal years were reported to us as corrected. |
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Single Audit Reporting Compliance – Grant Subrecipients

The federal government provides grant funds to County agencies that pass funds through to contracted organizations (subrecipients). The Single Audit Act of 1984 requires organizations spending \$750,000 or more in federal assistance receive an annual, organization-wide, financial and compliance audit.

During FY2020, we reviewed 37 audit reports issued to County subrecipients and reported the findings to applicable County agencies so they could assess the impact of the findings and determine if actions are needed. We requested that each County agency receiving our summary of Single Audit Report Compliance provide an intended action plan for following up with subrecipients. All seven county agencies with grant subrecipients having single audit findings provided responses to Internal Audit regarding their action plan for following up with their subrecipients.