



# Maricopa County

---

## Internal Audit Department

301 W Jefferson St  
Suite 660, Phx, AZ  
85003-2148  
602-506-1585  
maricopa.gov/  
internalaudit/

**To:** Maricopa County Board of Supervisors

**From:** Mike McGee, County Auditor

**Subject:** Audit Recommendations Not Implemented Within One Year

**Date:** January 31, 2020

---

Our annual "Audit Recommendations Not Implemented Within One Year" report is attached. It identifies 55 open audit recommendations from 8 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. For example, the Sheriff's Office has successfully implemented over 50 recommendations from last-year's report. On occasion, 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  
Paul Penzone, Sheriff  
Adrian Fontes, Recorder  
Joseph Welty, Presiding Judge of Superior Court  
Diane Cabanillas, Superior Court Finance Manager  
Ed Winfield, Chief Information Officer  
James Haas, Public Defender  
John Lewis, Chief Financial Officer  
Kevin Tyne, Chief Procurement Officer  
Phil McNeely, Air Quality Director

**MARICOPA COUNTY INTERNAL AUDIT  
RECOMMENDATIONS OUTSTANDING MORE THAN ONE YEAR  
as of January 30, 2020**

Report Date	Length of Time Outstanding	Audit	Number of Open Recommendations	Issue/Area	Recommendation	Target Date	Progress
10/8/12	7 Years, 3 Months	<b>Contract: Office Depot - Office of Procurement Services</b>	1 of 1	<b>Contracts</b>	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)	<b>Satisfactory</b> - 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	5 Years, 5 Months	<b>DOF Billing for Detention Services (Jail Per Diem)</b>	1 of 10	<b>Policies and System</b>	Consider initiating uncollectable accounts receivable proceedings for the State balance, or formally document justification for retaining receivable on the Jail Per Diem subsidiary ledger.	6/30/20	<b>Satisfactory</b> - Uncollectable Accounts Receivable policy A2501 was adopted 6/26/2019. MCSO Finance has sought guidance from County Finance Director as to procedures for resolving the recommendation at fiscal year end 2020.
4/11/17	2 Years, 8 Months	<b>MCSO Patrol</b>	14 of 25	<b>Policies and Procedures &amp; IT Security</b>	Implement recommendations regarding patrol resource allocation, use-of-force, body-worn cameras, off-duty employment, equipment training and management, password settings, user access, system backups, and Service Organization Control (SOC) reports.	12/30/20	<b>Satisfactory</b> - MCSO has closed 24% of Patrol recommendations since July 2019 and actively working on implementing the remaining action plans.
6/5/17	2 Years, 7 Months	<b>Superior Court Finance and Technology</b>	1 of 27	<b>Policies and Procedures &amp; IT Security</b>	Document a disaster recovery plan including procedures for an annual plan review and periodic testing.	12/31/20	<b>Satisfactory</b> - Superior Court's implementation of a new disaster recovery solution and changes in IT leadership required additional time to fully create, incorporate, and successfully implement a disaster recovery plan.
12/14/17	2 Years	<b>Cellular Devices</b>	9 of 102 Issued to 14 Agencies	<b>Policies and Procedures</b>	Establish and enforce written policies and procedures for cellular devices.	7/1/20	<b>Satisfactory</b> - OET is working on one recommendation, and Recorder/Elections and Public Defender are working on updating their policies and procedures; both departments have operational complexities that requires additional time for implementation.
2/14/18	1 Year, 10 Months	<b>MCSO Extraditions</b>	1 of 8	<b>Policies and Procedures</b>	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.	9/30/20	<b>Satisfactory</b> - MCSO has developed draft policies and procedures to address areas where extradition travel varies from travel allowed by County policy. MCSO plans to present to the BOS by third quarter 2020.

**MARICOPA COUNTY INTERNAL AUDIT  
RECOMMENDATIONS OUTSTANDING MORE THAN ONE YEAR  
as of January 30, 2020**

Report Date	Length of Time Outstanding	Audit	Number of Open Recommendations	Issue/Area	Recommendation	Target Date	Progress
3/14/18	1 Year, 9 Months	<b>MCSO Personnel Services</b>	5 of 14	<b>Policies and Procedures</b>	Civilianize specialized positions to decrease expenditures. Improve pre-employment practices and tracking of statistics, establish procedures to review job classification and physical readiness standards for sworn personnel, improve FMLA processing to ensure deadlines are met.	1/30/20	<b>Satisfactory</b> - Progress has been made on all recommendations and a new pre-employment system will be implemented in early 2020. Many assignments have been civilianized. MCSO continues to monitor and civilianize specialized positions as competing priorities allow.
8/15/18	1 Year, 4 Months	<b>MCSO Enforcement Support Division</b>	6 of 14	<b>Policies and Procedures</b>	Develop and document policies and procedures for the management of the posse program, including establishing and tracking of training requirements and certifications, performance management, and financial tracking and reporting of the posse program.	6/30/20	<b>Satisfactory</b> - MCSO is working on reorganizing the Enforcement Support division, as part of its efforts, the audit recommendations will be addressed. Progress on specific recommendations are pending the reorganization efforts.
9/7/18	1 Year, 4 Months	<b>Fixed Assets</b>	1 of 6	<b>Procedures</b>	Ensure land is appropriately entered into the County's financial system.	7/1/20	<b>Satisfactory</b> - DOF is working with applicable departments and anticipates the remaining infrastructure-related land will be loaded by July 2020.
9/7/18	1 Year, 4 Months	<b>Recorder's Office</b>	9 of 9	N/A - see progress	N/A - see progress	N/A - see progress	<b>Satisfactory</b> - We are verifying corrective actions as part of our review of 2020 election readiness.
11/14/18	1 Year, 1 Month	<b>Air Quality</b>	7 of 7	<b>Policies and Procedures</b>	Develop and document policies and procedures for inspection and enforcement processes and user access management. Strengthen policies and procedures for penalty calculations.	3/31/20	<b>Satisfactory</b> - Progress has been made on all recommendations. A new inspection and enforcement tracking system was implemented in late 2019. Many policies and procedures documents are being redrafted as a result and recommendations will be satisfied upon completion.

**MARICOPA COUNTY INTERNAL AUDIT  
REPORT SUPPLEMENT - ADDITIONAL FOLLOW-UP  
As of January 30, 2020**

**Auditor General Reporting Follow-up**

Each year, the Auditor General’s Office issues a Single Audit Report and a Report on Internal Control and on Compliance for Maricopa County. We reviewed the status of recommendations made by the Auditor General in their FY2018 reports from audit work performed at the county. We communicated with key personnel and checked the progress with the Auditor General to determine the status of the recommendations.

<b>Report Date</b>	<b>Audit</b>	<b>Description</b>	<b>Recommendation Status</b>
3/28/19	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.	There were three FY2018 recommendations. The Auditor General’s Office informed us there are no repeat findings thus far for the FY2019 Single Audit, although the audit is currently in progress.
12/21/18	Auditor General – Report on Internal Control and on Compliance	The Auditor General provides a report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements. The agencies are responsible for assessing the impact of the findings and determining if actions are needed.	There were four FY2018 recommendations. For the upcoming FY2019 report, the Auditor General’s Office informed us there may be two repeat findings relating to managing risk and IT controls. These two findings may be reported differently due to the County’s progress towards resolving them.

**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 FY19, we reviewed 41 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 eight county agencies with grant subrecipients having single audit findings provided responses to Internal Audit regarding their action plan for following up with their subrecipients.