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Internal Audit Department

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To: Andrew Kunasek, Chairman, Board of Supervisors
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Max W. Wilson, Supervisor, District IV
Mary Rose Wilcox, Supervisor, District V

From: Ross L. Tate, County Auditor

Subject: Clerk of the Board Audit

Date: February 28, 2008

We have completed the Clerk of the Board (COB) audit in accordance with our approved audit plan. The scope of our review included key statutory duties, technology assets, and purchasing cards. Overall, no significant control weaknesses were identified. Our findings are summarized below and on the following pages.

Area Reviewed	What We Found
Meeting Management	• Meeting notices were posted in compliance with statutes • Meeting minutes were not published within statutory timeframes
Records Management	• 20 of 20 (100%) records selected were located and properly supported
Vault Controls	• Vault controls were adequate
Public Record Requests	• Public records requests were completed timely from assignment date
Technology Assets	• A physical inventory and reconciliation of lease payments for technology assets revealed two laptops were erroneously on the inventory and charged to the COB
Purchasing Card	• Recent purchasing card activity was reviewed without exception. A review of card activity prior to April 2007 found coding errors, late reconciliations, and inadequate documentation

Meeting Management

As the official record keeper of the Board of Supervisors (BOS), the COB is responsible for posting all BOS meetings and preparing minutes. This job is highly regulated by Arizona Revised Statutes (ARS). We reviewed current meeting notices, agendas, and minutes for 10 BOS meetings in fiscal year (FY) 05-07. We found that the COB has posted meeting notices and agendas in accordance with statutory requirements. However, it took an average of 98 days from the meeting date until the BOS approved the minutes. Delays make it less likely that the BOS will remember details of business conducted for the minutes they are approving.

In addition, none of the 10 meeting minutes reviewed were published within two months of the meeting as required by ARS. The official minutes have not been printed, signed by the Chairman of the Board and the Clerk of the Board, and placed in the official Minute Book since September 2006 due to an issue with a set of meeting minutes dating back to that time.

Recommendations

The COB should:

A. Work to resolve the issue with the September 2006 Board of Supervisor minutes which are holding up the printing of other minutes, or estimate the number of pages and finalize subsequent minutes.

B. Work with staff regarding procedures for minutes review to speed up the process for minute approval.

C. Develop a plan to bring the office in compliance with publishing minutes as required by ARS 11-217 or work with the legislature to change the law.

Records Management

ARS assigns responsibility for maintaining BOS records with the COB. We sampled 20 records from FY05-07 and were able to locate the supporting documentation for all items.

Recommendation

None, for information only.

Vault Controls

The Arizona State Department of Library, Archives and Public Records sets specific requirements for safeguarding records including fire protection, lighting, temperature, and humidity requirements. Overall, we found controls over the security of the vault and preservation of records adequate. A fire suppression system is in place and records are properly safeguarded.

Recommendation

None, for information only.

Public Records Requests

ARS requires that records be available for public inspection and that records be provided promptly. We reviewed a sample of 10 public records requests made from July 2005 through November 2007. These requests averaged one day to complete from the assignment date.

Recommendation

None, for information only.

Technology Assets

We conducted a physical inventory of technology assets and were able to account for all items. However, we found that two laptops returned to the Office of Technology have remained on the COB inventory and are still being charged each month to the COB.

Recommendation

The COB should consistently follow-up to make sure that technology inventory records and monthly charges are accurate.

Purchasing Card

Prior to April 2007, County Purchasing Card Policies were not followed at all times. We reviewed all purchasing card reconciliation documentation for 10 months in July 2005 through October 2007. Transaction logs, billing statements and receipts could not be located for one or more cards in five of those months. Of the months located, three were not reconciled timely. In addition, coding in the financial system did not match logs and no corrections were made. There were three months where logs were not approved within the required timeframe. With new staff in charge of the purchasing card, vast improvements have been made and we found no exceptions in August, September, and October 2007.

Recommendation

None, for information only.

Scope and Methodology

Our objectives were to determine if the Office of the Clerk of the Board:

- Has sufficient controls to ensure compliance with key duties outlined in Arizona Revised Statutes
- Is correctly maintaining technology assets purchased and if the office is reconciling the location of all purchases
- Is correctly reconciling and recording purchases made on the County purchasing card and related travel expenditures

For this review, we observed the physical controls over records and conducted a physical inventory of technology assets. From the period July 2004 through November 2007, we judgmentally selected for testing samples of 10 public record requests, 10 agendas and corresponding meeting minutes, 10 monthly purchasing card logs, and supporting documentation for 20 meetings.

Audit Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We have reviewed this information with the Clerk of the Board and have attached the department's responses to this memo. We appreciate the excellent cooperation provided by management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Richard Chard or me at 506-1585.

Maricopa County
Clerk of the Board of Supervisors

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February 29, 2008

Ross Tate, County Auditor
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Mr. Tate:

First of all I would like to compliment your staff on their professionalism and the courtesy they displayed throughout the audit process. During the process they provided helpful information about their research methods and directed me to resources valuable to a number of our procedures or mandated services.

The Office of the Clerk of the Board of Supervisors is responsible for numerous mandated services. We develop and manage systems to facilitate orderly creation of Board of Supervisors' meeting schedules and agendas as well as a host of other statutory responsibilities. However, civic events do not always follow an orderly path. Consequently, we have developed alternate procedures to deal with last minute changes, unexpected events and emergencies. Time is allotted for such interruptions, but still we find that the "unexpected" often overwhelms the "planned." Or, as the poet Robert Burns so aptly put it, "The best-laid plans of mice and men often go awry." Given the number and complexity of the unexpected issues we deal with on a daily basis, I am pleased that the Clerk's Office successfully manages the routine and the unexpected, always adhering to statutory regulations and mandates in a professional manner.

In addition to the well-known activities related to scheduling Board of Supervisors' meetings and their related agendas, the Clerk's Office also performs a variety of other duties and responsibilities. In any given year, that list seems to expand as County services adapt to changing needs, the legislature enacts new laws and the number of residents in the County continues to increase. For example, over the past two years there have been several legislative bills related to special taxing districts, and especially related to a new type of district: non-contiguous county island fire districts (NCIFD). The Clerk's Office is the point of contact for citizens wanting to establish special districts. We had to quickly develop procedures for this new process as several citizen groups were eager to create these districts immediately upon passage of the bill. In the process, we discovered that the legislation did not address all of the related issues and possible complications. Clerk's staff coordinated meetings with other county Offices or departments and developed procedures to create such districts. To date, we have facilitated four citizen groups in either submitting initial filings or completing the process to establish these new entities. It is important to note that establishment of a special district often takes approximately one year to complete. The statutes related to the NCIFD's were specifically designed to expedite the process. We were able to handle this new procedure on top of facilitating the six to eight other proposed districts that are in various stages of the regular establishment process.

Although I could provide a long list of other, equally vital responsibilities of the Clerk's Office, most notably I would like to highlight the Secure On-Line Agenda & Resource System project (SOLAR System). Upon implementation this monumental project will result in not a "step," but a "leap" forward in current county-wide practices related to all aspects of Board of Supervisors' meeting management and the placement of information on the web so that it is accessible to all. Approximately a decade ago, the Clerk's Office worked with the IT department to develop an electronic agenda management system. Although the system has served us well, we have developed a new, more robust system which far surpasses the capabilities of the old system through new technologies and creative new ideas gleaned from staff and system users. The SOLAR System adds features which previously required time-intense, manual procedures.

The Board of Supervisors provided funding for the development and implementation of the SOLAR System which brings not only enhanced features for departments submitting items for inclusion in Board agendas, but also additional automation for the development of minutes and electronic movement of documents. Board of Supervisors meetings will, for the most part, be paperless. Documents related to meetings will be almost entirely in an electronic format either from creation or through a scanning process. Many documents will travel from department submission, through the meeting process, directly to archive without every being printed. The development and testing phases of this project are nearly complete. Special recognition should be given to Lori Pacini, Deputy Clerk of the Board, who spear-headed this undertaking as Project Manager.

I believe I speak for the whole Office when I say that collectively, we are proud of our accomplishments, be they the daily routine or unexpected items, or the long-term projects. I know that I am proud of the Clerk's Office and its extremely dedicated, proficient and professional staff.

Sincerely,

Fran McCarroll
Clerk of the Board of Supervisors

AUDIT RESPONSE
CLERK OF THE BOARD
February 29, 2008

Meeting Management:

Meeting notices were posted in compliance with statutes. Meeting minutes were not published within statutory timeframes.

Response: Concur
Regarding: "meeting notices were posted in compliance with statutes": We were pleased that the audit revealed that these notices have been posted in compliance with statutes. This issue is very important related to the Open Meeting Law statutes. An error here could either cause a meeting to be cancelled or any actions taken by the Board to be rendered null and void due to illegal or improper posting. All members of the Clerk's staff are aware of these very specific requirements and are careful to adhere to the statutory provisions. Response to "publication" issue recommendations are given below.

Recommendation A: Work to resolve the issue with the September 2006 Board of Supervisor minutes which are holding up the printing of other minutes, or estimate the number of pages and finalize subsequent minutes.

Response: Concur – Issue resolved and new procedures in place
The Clerk of the Board's Office has already resolved the page numbering issue and has published or prepared for publication almost all of the minutes from the remainder of 2006 and 2007. The delays have mainly been in the printing of the minutes on a specified Ph-balanced paper (an ASLAPR requirement) and placement in the permanent minute books. With the change in page numbering conventions those steps are rapidly being completed and minutes are both being published and archived appropriately. It should be noted that the most of the delayed minutes have been available either electronically or on the Clerk of the Board's website. Also, the State Auditor General audits the minutes every year. All relevant minutes were supplied to that auditor in a timely fashion.

Unfortunately, the staff person responsible for placement of minutes on the web recently left the office, and we have not been able to fill this vacancy due to the hiring freeze and budget reductions. This task is being transferred (with appropriate training) to another staff member, and it is expected that the backlog related to completed minutes should be resolved within two to three months.

Target Completion Date: 04/30/08

Benefits/Costs:
There are no cost benefits or "avoidances" related to publication of the minutes pursuant to a specific timeline; nor are there any financial implications related to the archiving of minutes in the permanent minute books. The cost benefit could be realized if the Senate Bill referenced below is adopted during this legislative session.

Recommendation B: Work with staff regarding procedures for minutes review to speed up the process for minute approval.

Response: Concur – New process in place
Some of these steps have already been addressed above related to re-distribution of responsibilities among the staff. In addition, the Minutes Coordinator will be updating and printing relevant sections of the Minutes Log for the Clerk every other week (two times a month). This printout will highlight sets of minutes needing to be completed in order to meet the publication timeline. This process should be documented and in place by the end of March 2008.

Target Completion Date: 03/30/08

Benefits/Costs:
No specific cost benefits are related to this issue. Currently, almost all final draft review/proofreading is done either nights or weekends.

Recommendation C: Develop a plan to bring the office in compliance with publishing minutes as required by ARS 11-217 or work with the legislature to change the law.

Response: Concur – In Process
Anticipated changes in certain tasks related to minutes creation associated with the rollout of the new agenda management system (SOLAR System) will make it possible for one of the Minutes Coordinators to assume the duties of tracking all aspects of the minutes. This will include tracking the draft/final/Board of Supervisors approval process as well as formatting for the permanent minute books and preparation for the newspaper version. The web placement will be handled by a different staff member, providing a quality control check on the timing of printing, newspaper publication and web-publication of the minutes.

This entire process could also potentially be impacted by a bill under consideration in the legislature this year – SB 1487 – related to ARS 11-217. The passage of this bill could eliminate the requirement to publish the minutes in a newspaper of general circulation if they are published on the county website. The Arizona County Clerks' Association was instrumental in the introduction of this legislation to eliminate the newspaper publication aspect of minutes archiving. The bill also has the support of the County Supervisors Association (CSA).

Staff is currently working to bring the minutes log up-to-date regarding the status of all 2007 and 2008 minutes pertaining to (1) draft/final version status, (2) Board of Supervisors approval, (3) archived minutes, (4) newspaper publication, and (4) web placement. Upon completion of this report, the final plan for completion of the backlog tasks will be charted.

Target Completion Date: 04/30/08

Benefits/Costs:
There is an expected cost benefit related to the successful passage of SB 1487. It costs somewhere between $150 and $400 to publish a set of formal minutes depending on the items included in any given meeting. With an average of 26 formal meeting per year this change could realize a saving of somewhere between $3,500 and $10,000 for the formal minutes alone. Informal and special minutes are also required to be published. These minutes are usually shorter, but can also be expensive at times given the items, the discussion and/or the length of the meeting.

Records Management:
20 of 20 (100%) records selected were located and properly supported.

Response: Concur
The Clerk's Office receives, indexes, files and archives an estimated 2,500 documents annually (not including minutes). Many of these require multiple signature execution steps, recording, scanning and/or certifying which, in effect, doubles or triples that number related to document handling. We are very pleased that systems related to Records Management allow for accuracy in locating requested documents. The new scanning procedures for all Board meeting related documents (upon the rollout of the SOLAR System) and the companion back-scanning project for current records held pursuant to the ASLAPR-approved retention/destruction schedule should only enhance this service. In addition to providing county staff with electronic access to a greater volume of documents, many of these documents will also be available to the public via the web search function.

Recommendation: None. For information only.

Vault Controls:
Vault controls were adequate.

Response: Concur
Again, the Clerk's Office is pleased that the audit reveals that controls related to the records in the vault are adequate. Although we have worked diligently to prepare and maintain a safe environment for these documents*, it is important to note that the SOLAR System with the accompanying EDMS project will add further protection regarding the preservation of both transitory and permanent records. Not only will protections be added, but search functions will be mainly transfer to electronic access so that actual records will not be moved in and out of the vault with the accompanying possibility of misfiled or misplaced records.

*There are numerous statutory references to the care and preservation of public records, one of which is the following: ARS 38-121.01(C) *Each public body shall be responsible for the preservation, maintenance and care of that body's public records, and each officer shall be responsible for the preservation, maintenance and care of that officer's public records. It shall be the duty of each such body to carefully secure,*

protect and preserve public records from deterioration, mutilation, loss or destruction, unless disposed of pursuant to sections 41-1347 and 41-1351.

Recommendation: None. For information only.

Public Records Requests:

Public records requests were completed timely from assignment date.

Response: Concur

Timely response to requests for public records is a significant function of the Clerk of the Board's Office. It is a customer service goal of the Office to respond quickly to such requests – within one day if possible.

> *ARS 39-121.01(D)(1) Any person may request to examine or be furnished copies, printouts or photographs of any public record during regular office hours or may request that the custodian mail a copy of any public record not otherwise available on the public body's web site to the requesting person. The custodian may require any person requesting that the custodian mail a copy of any public record to pay in advance for any copying and postage charges. The custodian of such records shall* ***promptly*** *furnish such copies, printouts or photographs and may charge a fee if the facilities are available, except that public records for purposes listed in section 39-122 or 39-127 shall be furnished without charge.*

Recommendation: None. For information only

Technology Assets:

A physical inventory and reconciliation of lease payments for technology assets revealed two laptops were erroneously on the inventory and charged to the Clerk of the Board.

Response: Concur

Thank you for noting the continuing inclusion of these two laptops in the Clerk's inventory. We have traced back the error and found that during the refresh program these two laptops were returned to OET and refreshed with new ones, but the old ones were not removed from the list. We have submitted the proper paperwork to OET to remove these laptops from the Clerk's inventory and also submitted the paperwork to correct the overpayments to OET.

Recommendation: Clerk of the Board should consistently follow-up to make sure that technology inventory records and monthly charges are accurate.

Response: Concur – Completed

Through the audit process we have learned how to request and review more detailed reports related to the technology debt service payments. These reports will be checked whenever there is a change in technology-related inventory to ensure that the Clerk's Office is only being billed for the proper number of units in the Office.

Target Completion Date: Completed

Benefits/Costs:
This finding and the subsequent corrective action will save the Clerk's Office approximately $100 per month related to internal payments to the Office of Enterprise Technology.

Purchasing Card:
Recent purchasing card activity was reviewed without exception. A review of card activity prior to April 2007, found coding errors, late reconciliations, and inadequate documentation.

Response: Concur
The current Executive Assistant in the Clerk's Office received training regarding the Purchasing Card system soon after she moved into this position. Immediately after the training she worked to correct any outstanding issues/payments and to put in place a cross-checking system to ensure compliance with P-card procedures. We are glad to see that her systems are working as evidenced by the audit which revealed no current exceptions to the policy.

Recommendation: None. For information only.

Approved By: Fran McCarroll 2.29.08
Clerk of the Board **Date**