



Maricopa County

Internal Audit Department

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To: Maricopa County Board of Supervisors

From: Mike McGee, Internal Audit Director

Subject: Audit Recommendations Outstanding More Than One Year

Date: May 5, 2022

Our annual “Audit Recommendations Outstanding More Than One Year” report is attached. It identifies 29 open audit recommendations from 11 County agencies. We are supplementing this report with the status of recommendations issued by the Auditor General’s Office.

County agencies have been dutiful in implementing their action plans; last year’s report included 44 open audit recommendations as compared to this year’s 29. 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.

This report is intended primarily for the County Board of Supervisors. However, this report is a public record, and its distribution is not limited.

Attachment

**MARICOPA COUNTY INTERNAL AUDIT
AUDIT RECOMMENDATIONS OUTSTANDING MORE THAN ONE YEAR
as of May 5, 2022**

Report Date	Length of Time Outstanding	Audit	Number of Open Recommendations	Issue/Area	Recommendation	Target Date	Progress
12/14/2017	4 Years, 5 Months	Cellular Devices (Recorder's Office)	1	Policies and Procedures	Establish written procedures to ensure that (a) unused lines are identified and canceled in a timely manner, and (b) all lines are placed on the most cost-effective service plans upon activation and are reviewed periodically thereafter.	6/30/2022	Satisfactory - Subsequent to the audit, the Recorder's Office changed leadership, and resources have been otherwise dedicated to higher priority election matters. Written procedures are currently being developed.
2/14/2018	4 Years, 3 Months	MCSO (Extraditions)	1	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.	6/30/2022	Satisfactory - MCSO is working with the Office of Procurement Services on proposed changes to County Travel Policy A2313 as well as internal policy changes to ensure consistency with County Travel Policy while meeting MCSO's unique operational needs.
9/7/2018	3 Years, 7 Months	Recorder's Office (2017 Jurisdictional Elections and 02/2018 CD8 Special Election)	2	Policies and Procedures; BODs	(1) The Recorder's Office should update the disaster recovery plan, and develop and implement a written contingency plan to ensure that all Ballot-On-Demand components are addressed. Both plans should include provisions for periodic review, update, and testing, as appropriate. (2) The Recorder's Office should develop and implement written stress testing procedures for the Ballot-On-Demand system. Test results and related corrective actions should be documented.	6/30/2022	Satisfactory (1) Contingency plans are being updated for the 2022 election cycle and will be submitted to the BOS for approval in April/May of 2022. (2) The Elections Department conducted stress tests and identified areas of concern; solutions to prevent identified issues from occurring were developed and are being formalized into written procedures.
9/7/2018	3 Years, 7 Months	Recorder's Office (2017 Jurisdictional Elections and 02/2018 CD8 Special Election)	2	Policies and Procedures; Fees	(1) The Recorder's Office should develop comprehensive written policies and procedures to ensure that all mandated records related to eligible voter lists are retained and made publicly available. (2) The Recorder's Office should conduct a fee study to determine the full cost of providing elections services, and update the fee schedule as appropriate.	12/31/2022	Satisfactory (1) The Recorder's Office hired a new Senior Director of Voter Registration; the director is in the process of updating internal policies and procedures. (2) A cost analysis of the November 2021 jurisdictional election is underway; when complete, new IGAs with updated costs will be provided to the local jurisdictions for approval.

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4/19/2019	3 Years	Human Services (Workforce Development)	1	Policies and Procedures	HSD should identify and document all parts of the law and related guidance that are applicable to their various roles, assign responsibility for operationalizing the requirements, and delineate procedures for ensuring compliance with those provisions.	6/28/2022	Satisfactory - Focus on the CARES Act and a change in leadership in this division has delayed completion; currently in process.
6/20/2019	2 Years, 10 Months	Emergency Management (Preparedness)	1	Facilities	Work with the County Facilities Management, Risk Management, and Budget departments to evaluate the need for a plan that addresses ADA access, space limitations, and facility safety and condition concerns related to the MCDEM facility and Emergency Operations Center.	9/29/2023	Satisfactory - A building was purchased to house Emergency Management and the Emergency Operations Center; a new building layout has been finalized and FMD is creating the required construction documents.
7/26/2019	2 Years, 9 Months	Flood Control District (IGAs)	1	Project Management	Consider implementing a formal asset management program to more efficiently catalog and track flood control facilities, maintenance requirements, and IGA compliance requirements; and/or partner with the County's Continuous Improvement Team to identify ideal solutions.	7/1/2023	Satisfactory - FCD has been working with the Real Estate Department on the development of a Real Estate Management System, which will be FCD's base source for assets; once complete, FCD will clean/verify the data and enter it into the system with a goal for FY24 implementation.
9/13/2019	2 Years, 6 Months	MCSO (Data Center)	1	Data Retention	Prepare a written electronic data retention policy based on laws, statutes, and operational needs.	6/30/2022	Satisfactory - MCSO had a change in the CIO position but closed 8 of 9 IT recommendations. MCSO is working on establishing a records retention policy to include data retention.
3/13/2020	2 Years, 1 Month	Planning and Development (Permitting Services)	1	Permit Application Process	Streamline the online application process to reduce duplicate information and clarify the process for applicants.	12/31/2022	Satisfactory - Opportunities to streamline the current online application process were included in the RFP for the new permitting system; a new online application process will be implemented with the launch of the new system.

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7/9/2020	1 Year, 9 Months	Public Health Services (IT)	3	Information Technology	(1) Establish written user access procedures in accordance with County policy. (2) Implement policies and procedures for conducting user access reviews of key electronic health record systems and Active Directory accounts at least annually. (3) Establish written procedures to ensure that OET is notified of terminated users to ensure network access is removed within 24 hours of departure date, in accordance with policy.	5/31/2022	Satisfactory - Updates to policies and procedures are drafted, and are pending leadership review and approval. Initial user access reviews are also planned. Pandemic-related priorities resulted in prior delays.
7/9/2020	1 Year, 9 Months	Public Health Services (IT)	1	Information Technology	Work with the Office of Enterprise Technology (OET) and the eClinicalWorks vendor to restrict system access through County IP addresses only. Consider tying access to the Active Directory.	6/30/2022	Satisfactory - This project is in the queue and will begin upon completion of two higher priority projects.
7/17/2020	1 Year, 9 Months	MCSO (Axon Contract Audit)	2	Policies and Procedures	(1) Review and update the procurement requirements listed in Policy GE-1 to reflect current operating procedures and controls and to ensure that all requisitions include appropriate chain of command approvals. (2) Prepare policies and procedures which address the receiving of goods and services.	6/30/2022	Satisfactory - Updates to MCSO policy have been drafted and are pending final approval.
7/17/2020	1 Year, 9 Months	OPS (Axon Contract Audit)	1	Insurance Renewal Certificates	Coordinate with Risk Management and the County Attorney (as needed) to develop policy and procedures for ensuring renewed insurance certificates are provided by vendors in accordance with contract requirements.	12/31/2022	Satisfactory - OPS reports they are implementing a new system that will include notification to vendors regarding insurance certificate renewals prior to expiration. Implementation of the new system has been delayed in favor of pandemic-related support and the development of a new contracts database.

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7/23/2020	1 Year, 9 Months	Correctional Health (Clinic Services)	1	Medication Management	Establish formalized KPIs useful in determining and addressing underlying issues related to medication management and administration (e.g., medication waste, diversion, errors, incorrect orders, stock outages).	6/30/2022	Satisfactory - CHS has completed implementation on three of their five action plan items; progress is continuing on the remaining two items.
7/23/2020	1 Year, 9 Months	Correctional Health (Clinic Services)	1	Unique Patient Identifiers	Review the TechCare contract and amendments to assess opportunities for adding unique patient identifiers and other features to TechCare.	9/30/2022	Satisfactory - Being completed in a phased approach to ensure there are no issues with merging and unmerging files; CHS is working with the vendor on an implementation date.
7/23/2020	1 Year, 9 Months	Correctional Health (Clinic Services)	3	Medication Management; Patient Release; Refusal of Care	<p>(1) Establish policies and/or procedures regarding the retention of documentation/forms completed by patients.</p> <p>(2) Enhance reporting capabilities to include coordinated transition releases versus routine releases in order to evidence that proper release procedures are followed.</p> <p>(3) Enhance procedures to help ensure proper signatures are obtained when an appointment is refused by a patient. Consider incorporating a required field within the electronic health record system (TechCare).</p>	12/30/2022	<p>Satisfactory</p> <p>(1) Pending implementation of medication dispensing machines and a full workflow development.</p> <p>(2) Scheduled following an assessment of reporting needs that best reflect patient requirements.</p> <p>(3) This project is prioritized after NCCHC survey and with input of the new CHS leadership team.</p>
11/20/2020	1 Year, 5 Months	Public Fiduciary (Guardianship Services)	1	SOC Reports	Establish written policies and procedures for obtaining annual SOC audit reports and performing and documenting appropriate reviews. Reviews should include identifying complementary user entity controls that PFD is responsible for and documenting implementation of those controls. Consider working with OET to ensure the eGuardianship vendor meets key security requirements for third-party vendors.	7/1/2022	Satisfactory - Public Fiduciary is adding a SOC audit requirement to the statement of work for their new case management system.

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12/2/2020	1 Year, 3 Months	Library District (IT)	5	Policies and Procedures; Contingency Planning	<p>(1) Establish written policies and procedures to ensure the following:</p> <ul style="list-style-type: none"> ■ The COOP and/or the disaster recovery plan is regularly reviewed, updated, tested, and communicated to CMLD employees. ■ Data backup and storage processes adequately protect critical data from loss or destruction. <p>(2) Establish written policies and procedures addressing granting, modifying, removing, and regularly reviewing user access to key MCLD applications.</p> <p>(3) Establish written policies and procedures addressing granting, modifying, removing, and regularly reviewing physical access to MCLD's data centers.</p> <p>(4) Complete the MCLD COOP and/or establish a disaster recovery plan to ensure critical data and equipment are adequately protected from loss or destruction in the case of a disaster or other unplanned event.</p> <p>(5) Establish written policies and procedures to ensure the following:</p> <ul style="list-style-type: none"> ■ Data center operations include efficient equipment operations, utilization, and processing. ■ Adequate security threat identification, monitoring, response, and reviews. 	6/30/2022	Satisfactory - The Library District is currently drafting formal policies and procedures for the items noted.

Total Number of Audit Recommendations Outstanding for More Than One Year	29
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**MARICOPA COUNTY INTERNAL AUDIT
REPORT SUPPLEMENT - ADDITIONAL FOLLOW-UP
As of May 5, 2022**

Auditor General Reporting Follow-up

Each year, the Auditor General's Office issues various reports regarding Maricopa County. We reviewed the reports and noted open findings/recommendations in the following reports:

Report Period	Audit	Description	Finding Status
Fiscal Year 2021	Auditor General - Report on internal control and compliance over federal programs	The report includes an opinion on the county's compliance with federal laws and regulations when administering federal programs and grants. It also reports any significant problems identified with the county's internal controls over compliance with certain federal laws and regulations.	The report has not been completed as regularly scheduled. An extension for filing the fiscal year 2021 report has been granted and will be available by 09/30/2022.
Fiscal Year 2021	Auditor General - Report on internal control and compliance over the annual financial report	The report describes any significant problems identified with the county's internal control procedures over its annual financial report preparation, and whether auditors found noncompliance with certain laws and regulations that could affect the county's financial statement amounts.	<p>The report indicates three findings related to internal controls over financial reporting; two of the findings have been open for more than one year.</p> <p>The county concurred with all findings, and reports that one finding has already been corrected. The remaining two open findings are as follows:</p> <ul style="list-style-type: none"> • Previous Treasurer's misspent funds (target completion date: 07/01/2022) • Managing and documenting IT risks (target completion date: 12/31/2022)