



OFFICE OF INTERNAL AUDIT

REPORT TO THE BOARD OF SUPERVISORS

Recorder's Office

Follow-up Review

January, 2010

Lori Stripling, Internal Audit Officer
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The Office of Internal Audit has completed a follow-up review of our Audit of the Recorder's Office, Safeguarding Information, which was finalized in April 2010.

As a result of our review, we found the Recorder's Office has completed or made admirable progress in implementing recommendations included in our April 2010 audit report.

Significant achievement has occurred in the following areas, pursuant to the audit recommendations:

- Updated existing policies and procedures to reflect current operations
- Consolidated all department policies and procedures into a comprehensive manual
- Revised procedures to reflect requirements for safeguarding sensitive information
- Established procedures for periodic change of safe combinations
- Revised procedures to ensure checks are promptly and restrictively endorsed
- Created procedures requiring the completion of an annual review of customer accounts

Based on our review, further improvements are needed, as indicated below:

- Management should update policy 11 "Document Recording Requirements and Recording process," to reflect a maximum cash refund amount allowed for customers who paid with traveler's/cashier's checks, or disallow cash refunds altogether.

The following matrix provides details of management's reported progress and our assessment, based on follow-up audit procedures performed. We would like to thank the Recorder and staff for their assistance during our follow-up review.

Lori Stripling
Pinal County Internal Audit Officer

**Recorder Office Follow-up
Management's Response and Action Plan
December 2010**

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
1. <i>The Recorder should update existing policies and procedures to reflect current operations.</i>	Yes	This project is already in progress.	7/1/2010	Laura Dean-Lytle and/or Barbara Kelly Via our designee.	Complete Policies & procedures have been revised to reflect current operations. Audit suggested that at least annually, Management revisit their policies and procedures to ensure they are updated.
2. <i>The Recorder should consolidate Office policies and procedures into one comprehensive manual to facilitate staff's knowledge and compliance, and assist in new employee training.</i>	Yes	This will occur once we have all of the P&P's updated.	7/1/2010	Barbara Kelly	Complete A comprehensive policies & procedures manual was developed.

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3. <i>Recorder should include in the revised procedures a requirement for safeguarding sensitive information.</i>	Yes	This will be included in the P&P's.	7/1/2010	Barbara Kelly	<p style="text-align: center;">Complete</p> <p style="text-align: center;">Policies and procedures have been revised to include requirements for safeguarding information. To ensure this recommendation is fully addressed, management will create a separate policy covering overall safeguarding of sensitive information.</p>

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<p>4. <i>The Recorder should revise the current policy allowing cash refunds to customers who have paid with traveler's checks, and require that a check is processed for any refunds due.</i></p>	Yes	<p>The procedure for cashier's checks will be aligned with our cash process regarding the maximum size of payment amount we will accept in a cashier's check or cash.</p>	7/1/2010	Barbara Kelly	<p>Partially Complete</p> <p>Management will update policy 11 "Document Recording Requirements and Recording process," to reflect a \$20 maximum cash refund to customers paying with traveler's/cashier's checks. The current policy allows for cash refunds and issuance of checks for significant amounts.</p>
<p>5. <i>The Recorder should establish procedures requiring that safe combinations are changed at six month intervals, or when a combination holder either leaves or no longer needs safe access.</i></p>	Yes	<p>The Administrative Secretary is working on a procedure to ensure this handled as suggested.</p>	7/1/2010	<p>Laura Dean-Lytle or Barbara Kelly via our designee (Administrative Secretary).</p>	<p>Complete</p> <p>Policies and procedures have been revised to include requirements indicated in the recommendation.</p>

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<p>6. <i>The Recorder should require that checks received by mail are promptly and restrictively endorsed. If there is a need for the check to be subsequently returned to the customer, it should be promptly marked void.</i></p>	Yes	Checks are now stamped with our endorsement for deposit in a much more prompt manner. Returned checks will be stamped void.	4/1/2010	Laura Dean-Lytle or Barbara Kelly via our staff designees.	<p style="text-align: center;">Complete</p> <p>Checks received by mail are promptly and restrictively endorsed and documented in a log. If a check is to be returned, it also is promptly endorsed, documented, and marked as void upon supervisory review.</p>
<p>7. <i>The Recorder should establish procedures requiring the completion of an annual review of customer accounts and ensure the funds in dormant accounts are returned to the customers.</i></p>	Yes	This will be included in our P&P's and will occur approximately May 1st annually.	5/1/2010	Laura Dean-Lytle or Barbara Kelly via our designee (Bookkeeper)	<p style="text-align: center;">Complete</p> <p>Policies and Procedures have been created to address the requirements indicated in the recommendation.</p>