

**Summit County Fiscal Office
Recorder and Conveyance Divisions
Follow-up Audit Report**

**Prepared For:
John A. Donofrio
Audit Committee**

**Approved by Audit Committee
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**Summit County
Internal Audit Department
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Auditors:

Mira Pozna, Deputy Director; Meredith Merry, Internal Auditor; Ben Franjesevic, Internal Auditor

Objective:

To determine if management has implemented their management action plans as stated in the previously issued Preliminary and Follow up Audit reports.

Scope:

An overview and evaluation of policies, processes, and procedures implemented by the department/agency because of management actions stated in the management action plans during the Preliminary and Follow up Audit process.

Testing Procedures:

The following were the major audit steps performed:

1. Review the final Preliminary and Follow up Audit reports to gain an understanding of IAD issues, recommendations, and subsequent management action plans completed by the audited department/agency.
2. Review the work papers from the Preliminary and Follow up Audits.
3. Review any departmental/agency response documentation provided to IAD with management action plan responses following the Preliminary Audit and Follow up Audits.
4. Identify management actions through discussions/interviews with appropriate departmental personnel to gain an understanding of the updates/actions taken.
5. Review applicable support to evaluate management actions.
6. Determine implementation status of management action plans.
7. Complete the first Follow-up Audit report noting the status of previously noted management actions.

Summary

Of the ten issues and the corresponding management action plans noted in the Preliminary Audit Report, the Summit County Fiscal Office Recorder and Conveyance Divisions fully implemented ten management action plans.

Based on the above noted information, IAD believes that the Fiscal Office Recorder and Conveyance Divisions have made a positive effort towards implementing the management action plans as stated in response to the issues identified in the Preliminary Audit. No further follow up is needed.

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Detailed Comments**

Listed below is a summary of the issues noted in the Preliminary Audit Report, their status and updated Management Action Plan. Each issue number is in reference to that report:

Management Action Plans Fully Implemented:

- **Issue 1** - Upon review of the Fiscal Office – Recording and Conveyance Divisions’ policies and procedures, IAD noted the following:
 - Both the Recording Division and Conveyance Division Policy and Procedures manual lacked management approval.
 - Some individual policies/procedures in the Conveyance Division manual had effective dates; however, several policies/procedures (e.g. cross training) did not and therefore IAD was unable to determine when the policy/procedure took effect.

Through review of the Recording and Conveyance Divisions Policy and Procedure Manuals, IAD was able to confirm that each contained management approval as well as effective dates.

- **Issue 2** - Upon review of the Fiscal Office – Recording and Conveyance Divisions’ policies and procedures manuals, IAD noted several instances in both manuals where an employee was referenced by name instead of by title.

Through review of the revised policies and procedures manual, IAD was able to verify that identified references to employee names have been replaced with references to employee titles.

- **Issue 3** - Upon review of the Fiscal Office – Conveyance Division’s Policies and Procedures manual, IAD noted that the second reconciliation procedure performed by the Office Manager is not included in the written cash procedures.

Through review of the revised policies and procedures manual, IAD was able to confirm that the written cash procedures include the second reconciliation procedure.

- **Issue 4** - Upon discussion with the Recording Division Director of Administration, IAD noted that the Recording Division utilizes written instructions (titled Daily Receipt Balancing and Escrow Account) for the reconciliation of cash collected; however, they are not included in the policies and procedures manual.

Through review of the revised policies and procedures manual, IAD was able to verify that the manual includes policies and procedures for Daily Receipt Balancing and Escrow Accounts.

- **Issue 5** - Upon review of Recording and Conveyance Division personnel files, IAD noted two out of ten employees selected for testing who did not possess a department policy and procedure manual sign off.

Through testing and observation, IAD was able to confirm that each employee from both the Recording and Conveyance Divisions completed sign-off forms for their respective policy and procedure manuals.

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- **Issue 6** - Upon review of the CRIS+plus fee table, IAD noted that there is no document/fee type for zoning resolutions and zoning amendments in the system, and that Clerical Specialists must override and manually enter fees for the recording of these types of documents.

Through review of the CRIS+plus fee table, IAD confirmed that fee types have been added for zoning resolutions and amendments.

- **Issue 7** - Upon review of the CRIS+plus fee table, IAD noted that the Recording Division was charging \$43.20 per page for the recording of maps, plats and prints rather than charging the O.R.C. mandated fee amount. The Director of Administration indicated that this amount was derived from a previous Prosecutor's opinion, and has changed over the years in proportion to changes in the O.R.C. Per O.R.C. § 317 (K), "In any county in which the recorder employs the photostatic or any similar process for recording maps, plats, or prints the recorder shall determine, charge, and collect for the recording or rerecording of any map, plat, or print, a base fee of five cents and a housing trust fund fee of five cents per square inch, for each square inch of the map, plat, or print filed for that recording or rerecording, with a minimum base fee of twenty dollars and a minimum housing trust fund fee of twenty dollars".

Through review of correspondence with title companies, land developers, surveyors, and examiners as well as testing of the CRIS+plus fee table, IAD was able to verify that the fees charged for the recording of plats are in accordance with O.R.C. mandated amounts.

- **Issue 8** - Upon review of the CRIS+plus fee table, IAD noted that the Recording Division was charging \$17.30 per page for a copy of a plat with an additional \$1.00 charge for a certified copy rather than the O.R.C. mandated fee amount. The Director of Administration indicated that this amount was derived from a Prosecutor's opinion in 1983, and has changed over the years in proportion to changes in the O.R.C. Per O.R.C. § 317 (K), "In any county in which the recorder employs the photostatic or any similar process for recording maps, plats, or prints, the recorder shall determine, charge, and collect for the recording or rerecording of any map, plat, or print, a base fee of five cents and a housing trust fund fee of five cents per square inch, for each square inch of the map, plat, or print filed for that recording or rerecording, with a minimum base fee of twenty dollars and a minimum housing trust fund fee of twenty dollars; for certifying a copy from the record, a base fee of two cents and a housing trust fund fee of two cents per square inch of the record, with a minimum base fee of two dollars and a minimum housing trust fund fee of two dollars."

Through review of correspondence with title companies, land developers, surveyors, and examiners as well as testing of the CRIS+plus fee table, IAD was able to verify that the fees charged for the copying of plats are in accordance with O.R.C. mandated amounts.

- **Issue 9** - Through testing of cash collection processes and upon review of the CRIS+plus fee table and fees currently being collected, IAD noted that the Recording Division is not charging for the recording of child support liens or releases.

Through review of correspondence with the Director of CSEA and Summit County's State Office of Child Support Policy Supervisor, IAD confirmed that the Recorder Division is unable to charge the obligor for the recording of child support liens or releases.

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- **Issue 10** - Upon discussion with the Recording Division Director of Administration, the division accepts delayed payments (accounts receivables), which are relatively small and infrequent in nature. The delayed payments are accepted from the Court of Common Pleas, Probate Court, and the Treasurer's Office for the filing of documents prior to the closing of a case and release of the respective delinquent tax liens. The receivables due are manually tracked in a Delayed Payment Logbook after the recording of the respective document. Currently the CRIS + Plus system is not set up to properly record these receivables.

Prior to the end of fieldwork, the Recording Division had implemented and began utilizing a receivables module within the CRIS+Plus system.

Security Follow-Up:

Security follow-up issues noted during fieldwork are addressed under separate cover in the accompanying report in compliance with Ohio Revised Code §149.433.