



**Mecklenburg County
Department of Internal Audit**

Register of Deeds Follow-Up Audit
Report 1801

October 10, 2018

**Internal Audit's
Mission**

To support key stakeholders in cultivating an environment of accountability, transparency and good governance.

Internal Audit Contacts

Joanne Prakapas, CPA/ CFF, CIA, CRMA, CFE, Audit Director
(980) 314-2889 or joanne.prakapas@mecklenburgcountync.gov

Felicia Stokes, CIA, CISA, CRMA, Audit Manager
(980) 314-2893 or felicia.stokes@mecklenburgcountync.gov

**Staff
Acknowledgements**

Brian Roberts, CPA, CFE, Auditor-in-Charge

**Obtaining Copies of
Internal Audit Reports**

This report can be found in electronic format at
<https://www.mecknc.gov/audit/reports/pages/default.aspx?>



MECKLENBURG COUNTY
Department of Internal Audit

To: Dena Diorio, County Manager

From: Joanne Prakapas, Director, Department of Internal Audit

Date: October 10, 2018

Subject: Register of Deeds Follow-Up Audit Report 1801

The Department of Internal Audit completed a follow-up audit on reported issues from the Register of Deeds Report 1061 issued November 9, 2011. The follow-up audit objective was to determine with reasonable but not absolute assurance whether management took effective corrective action on the issues presented in the audit report.

Internal Audit staff interviewed key personnel; observed operations; reviewed written policies, procedures, and other documents; and tested specific transactions where applicable. Internal Audit conducted this audit in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

FOLLOW-UP SUMMARY

There were fifty-four recommendations in the Register of Deeds Report 1061. The following table provides the original number of recommendations and summarizes the follow-up audit results performed to date.

Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2012	1061 ²	N/A				54
2013	1361	35	18		1	18
2014	1461	9	9			9
2015	1587	4	5			5
2017	1766	4	1			1
2018	1801		1			1

¹ Management assuming risk for not taking corrective action

² Initial report

The attached **Follow-Up Results** matrix provides details for the most recent follow-up audit. Internal Audit will review any carryforward issues later to verify recommendations are fully implemented and working as intended.

The cooperation and assistance of the Register of Deeds staff are recognized and appreciated.

c: Deputy County Manager
Assistant County Managers
Deputy County Attorney
Senior County Attorney
Board of County Commissioners
Audit Review Committee
Register of Deeds

Follow-Up Results
Register of Deeds Report 1061

- **Implemented** – Audit issue has been adequately addressed by implementing the original or alternative corrective action plan (**I**)
- **Open** – Corrective action for audit issue initiated but not completed (**P**); Implemented but not operating as intended (**IO**); Not been addressed but management fully intends to address issue (**O**)
- **Not Implemented** – Audit issue not addressed and management has assumed the risk of not taking corrective action (**NI**)
- **Withdrawn** – Audit issue no longer exist due to operational changes (**W**)

				Implementation Status	
Issue No.	Recommendation	Management’s Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
3	<p>Internal Audit recommends that the Register of Deeds:</p> <p>A. Ensure incoming mail is opened with two people present and that checks are documented. Also, checks should be restrictively endorsed immediately upon receipt or immediately processed for deposit in Anthem. If two people cannot be present, management should put other mitigating controls in place.</p>	<p>Agree. We do not have the manpower to have two people present to open mail. By statute, we cannot process the check until we are prepared to file the document or perform the service. We may not know whether our service can be performed until the documents are examined and the fee presented is correct. Therefore, checks cannot be immediately processed when the mail is opened. Mail must be routed to the proper area, and specialists in each area process different mail requests that include checks. Check numbers are logged in Anthem when a check is processed, and verified in the deposit preparation process. The check information is logged into a spreadsheet when a real estate document and the recording check is rejected and returned to the customer. This gives us an audit trail on the majority of checks, especially those that go through the most processing steps. We are open to a cost effective solution, perhaps with scanning the checks and part of the accompanying documents. Our software upgrade includes additional scanning capabilities and rejection tracking which may be suitable. NCGS 161-10(c) states: These fees shall be collected in every case prior to filing, registration, recordation,</p>	11/2011	IO	<p>The new Registrar of Deeds has agreed to implement the recommendation. Internal Audit determined the remaining part of the implementation is the two people who open the mail should also document checks received in the mail.</p>

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Register of Deeds Report 1061

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				Implementation Status	
Issue No.	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
		certification or other service rendered by the register of deeds unless by law it is provided that the service shall be rendered without charge.			