



**Mecklenburg County
Department of Internal Audit**

Office of the Tax Collector
Enforced Collections Follow-Up Audit
Report 2211

March 25, 2022

Internal Audit's Mission	To support key stakeholders in cultivating an environment of accountability, transparency, and good governance.
Internal Audit Contacts	Felicia Stokes, CIA, CISA, CRMA, CFE, Interim Director (980) 314-2893 or felicia.stokes@mecklenburgcountync.gov
Staff Acknowledgements	Rebecca Testin, CIA, CPA, 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, Director
County Manager's Office

From: Felicia Stokes, Interim Director
Department of Internal Audit

Date: March 25, 2022

Subject: Office of the Tax Collector Enforced Collections Follow-Up Audit Report 2211

The Department of Internal Audit completed a follow-up audit on reported issues from the Office of the Tax Collector Enforced Collections Audit Report 2064 issued April 28, 2021. 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 five recommendations in the Office of the Tax Collector Enforced Collections Audit Report 2064. 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Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2021	2064 ²	N/A				5
2022	2211	5				0

¹ Management assuming risk for not taking corrective action

² Initial report

Details regarding the most recent follow-up audit are noted in the attached **Follow-Up Results** matrix. Internal Audit will review any carryforward issues later to verify recommendations are fully implemented and working as intended. Recommendations considered implemented will be excluded from further review.

The cooperation and assistance of the Office of the Tax Collector staff are recognized and appreciated.

cc: Deputy County Managers
County Attorney
Deputy County Attorney
Board of County Commissioners
Audit Review Committee
Director, Office of the Tax Collector

Follow-Up Results
Office of the Tax Collector Enforced Collections Audit Report 2064

- **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	
Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
1.1	Internal Audit recommends management update the enforced collections' policies and procedures and train staff accordingly. Policies and procedures should include, at a minimum: <ul style="list-style-type: none"> • Essential operating activities for cash deposit procedures • Staff's annual training requirements • Frequency of policies and procedures review and updates 	The operating activities for cash deposit procedures, staff's training requirements, and the frequency of review and updates will be reviewed and updated as necessary. The Department does have a process for all employees, including management, to read and attest to having read all applicable OTC policies, Mecklenburg County Cash Handling, Petty Cash and Change Fund Policy, protecting confidential information and safety and security policies. This is done annually during the performance review process. The action plan in response to this recommendation will enhance and document this process.	01/2022	I (2)	
1.2	Internal Audit recommends management implement a formal process to ensure its policies and procedures are routinely reviewed, updated, and approved. Evidence of the approval should be documented.	The cadence for reviewing policies, operating procedures (including but not limited to cash procedures), staff training requirements, and the frequency of review/updates including a process to document each review will be implemented.	01/2022	I (2)	

Follow-Up Results
Office of the Tax Collector Enforced Collections Audit Report 2064

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				Implementation Status	
Risk Observation	Recommendation	Management’s Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
2.1	Internal Audit recommends management separate incompatible duties or implement appropriate compensating controls, such as management oversight.	The OTC will instate a process where every garnishment created by all Deputy Tax Collectors is reviewed before the garnishment is served, thereby eliminating the practice for a few (currently two) deputies creating them without a review. The Department currently ensures that garnishments created by Deputy Tax Collectors in training are reviewed before they are executed. Further, the Department provides coaching and supervision to all Deputy Tax Collectors to help develop their knowledge on §NCGS 105-368, which includes enforcing payment of delinquent taxes by means of garnishments and other activities.	04/2021	I	