



**Mecklenburg County
Department of Internal Audit**

Department of Financial Services
Closeout Follow-Up Audit
Report 2301

October 7, 2022

Internal Audit's Mission

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

Internal Audit Contacts

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Staff Acknowledgements

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**Obtaining Copies of
Internal Audit Reports**

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<https://www.mecknc.gov/audit/reports/pages/default.aspx?>



MECKLENBURG COUNTY
Department of Internal Audit

To: Dena Diorio, County Manager
County Manager's Office

From: Terry Thompson, Director
Department of Internal Audit

Date: October 7, 2022

Subject: Department of Financial Services Closeout Follow-Up Audit Report 2301

The Department of Internal Audit completed a follow-up audit on reported issues from the Department of Financial Services Closeout Audit Report 2115 issued April 7, 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 was one recommendation in the Department of Financial Services Closeout Audit Report 2115. The following table provides the original number of recommendations in Audit Report 2115 and summarizes the results of the current follow-up audit. As reflected in the table below, results of the current follow-up audit indicate that management has effectively implemented corrective actions to address the issue associated with prior recommendation.

Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2021	2115 ²	N/A				1
2023	2301	1				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. Recommendations considered implemented will be excluded from further review.

The cooperation and assistance of the Department of Financial Services staff are recognized and appreciated.

- c: Deputy County Managers
- County Attorney
- Deputy County Attorney
- Board of County Commissioners
- Audit Review Committee
- Director, Department of Financial Services

Follow-Up Results
Department of Financial Service Closeout Audit Report 2115

- **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 ensure staff shred the Department's current inventory of processed checks over 30 days old and develop and maintain a check-shredding schedule going forward.	N/A	N/A	I	