

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: May 6, 2003
To: Supervisor Richard D. Nyklewicz, Jr., Chairman, Finance and Audit Committee
From: Jerome J. Heer, Director of Audits
Subject: Status Report of an Audit of Internal Controls Milwaukee County Register of Deeds Vital Statistics/ID Division (File No. 02-551)

At the October 18, 2002, meeting of the Committee on Finance and Audit, the Register of Deeds and DAS-Human Resources Division were requested to provide a six-month status report regarding our audit of the Internal Controls of the Register of Deeds Vital Statistics/ID Division. The six-month status report of the Register of Deeds Vital Statistics/ID Division and DAS-Human Resources Division and our commentary is attached for your review. As you will note, recommendations 1 through 6, 8, 13, 16 and 20 are designated further action required.

The fundamental question of whether or not the County needs to provide its residents with a photo I.D. service should be addressed. We reiterate our position that, since the State of Wisconsin provides a superior system for photo I.D. within close physical proximity to the County Courthouse, it would be prudent to eliminate, with County Board approval, this function from County government.

We recommend this follow-up be received and placed on file.



Jerome J. Heer

JJH/kjw

Attachment

cc: Finance and Audit Committee Members
Scott Walker, County Executive
John La Fave, Register of Deeds
Jertha Ramos-Colon, Deputy Director, DAS-Human Resources Division
Rob Henken, Director of County Board Research, County Board Staff
Lauri J. Henning, Chief Committee Clerk, County Board Staff

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: **An Audit of Internal Controls Milwaukee County Register of Deeds Vital Statistics/ID Division**

Audit Date: **October, 2002**

File Number: **02-551**

Department: **Department of Register of Deeds**

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
1. <i>Segregate the duties of data entry and the processes of taking pictures and creating the ID card.</i>						X	<p>Auditee: Segregation of the duties of data entry and the process of taking pictures is not practical. The ID card service has been reduced from eight hours to four hours per day. Four different employees perform the duties, each serving for one hour. The vendor will assist IMSD in making changes to software security settings that will require the use of individual passwords.</p> <p>Dept. of Audit: In general, little has been done to address the internal control problems noted in our report. Thus, the environment that allowed the problems cited in the report to occur in the first place can potentially continue without controls to prevent it, or subsequently identify it once it has occurred. Duties have not been segregated, blank ID cards are not being accounted for, computer controls to help prevent or detect irregularities have not been implemented, and no physical security presence has been initiated. Further, no timetables for implementing the recommendations has been established.</p> <p>It appears that a 'wait and see' approach has been taken before any actions are taken - - waiting to see if the ID card issuance process will be reassigned to the Sheriff's Department. We agree with the concept of having the function performed by Sheriff's Department staff, which would address many of our security concerns. However, we are unaware of the status of such a reassignment, or even if the Sheriff is aware that it is being considered. We believe that interim steps need to be implemented until such time that such a reassignment becomes a reality.</p>

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2. <i>Physically separate the location of the two functions. If this cannot be done cost effectively, locate the functions in a visible area such that one person working both functions would draw attention to the activity, establish a policy of not allowing one person to perform both functions, and inform staff to alert management if such activity is noted.</i>						X	Auditee: These functions are performed in a very visible area near the front counter. There is a high degree of traffic of ROD employees passing by the ID card station. Dept. of Audit: See No. 1.
3. <i>Account for all blank ID card stock daily. To improve the ability to account for them in the future, include pre-printed serial numbers on new blank ID cards purchased.</i>						X	Auditee: Vendor has offered a quote for pre-numbering existing ID cards. ROD has held off on this expenditure due to uncertainty of continuation of ID card service. Dept. of Audit: See No. 1.
4. <i>Enhance computer programming to prevent computer files of completed ID cards from being deleted without detection.</i>						X	Auditee: Vendor will assist IMSD to make this change. Dept. of Audit: See No. 1.
5. <i>Further enhance computer programming by having the computer generate the ID serial number, or alternatively, prevent the computer from creating an ID card using a previously issued number or one that is out of sequence.</i>						X	Auditee: Vendor will assist IMSD to make this change. Dept. of Audit: See No. 1.

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6. <i>Consider eliminating, with County Board approval, the function of issuing ID cards if the integrity of the process cannot be improved.</i>						X	<p>Auditee: The Register of Deeds supports eliminating the County ID card service. The number of cards issued is now down to about 340 per month. The cost of providing this service exceeds the revenue collected. Milwaukee County residents can obtain Wisconsin ID cards as they do in other counties.</p> <p>If the County desires to continue issuing County ID cards, the Register of Deeds suggests that this service be transferred to the Sheriff's Department. The Sheriff's Department issues Milwaukee County Employee ID cards, which involves photography, fingerprinting, and data verification. They could also issue ID cards for the public. This would provide the highest degree of security to the process and present a very strong deterrent to individuals who may be thinking of acquiring an ID card by presenting fraudulent information.</p> <p>Dept. of Audit: See No. 1.</p>
7. <i>Improve the quality of documentation accepted to create a County ID card.</i>					X		<p>Auditee: Personal mail is no longer accepted as proof of county residency. The new requirement that went into effect on 1 October 2002 is that the applicant must present a piece of business mail such as a utility bill, bank statement, credit card statement, etc. Non-citizens must present proper immigration papers or a passport.</p> <p>Dept. of Audit: Concur.</p>

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8. <i>Take steps to provide a security presence in the Register of Deeds office. This could be attained through hiring a private security force, or working with the Sheriff's Department to have a Sheriff's deputy periodically stationed at the Register of Deeds office.</i>						X	<p>Auditee: The Sheriff's Department has been very responsive when called by the ROD staff. Does the County have the money to hire a private security force or stationing a Sheriff's deputy in the ROD office? A higher level of security would be a constant if the County ID card service was transferred to the Sheriff's Department.</p> <p>Dept. of Audit: See No. 1.</p>
9. <i>Establish and implement a procedure for quickly notifying the Sheriff's Department staff of potential fraudulent activities being attempted at the Register of Deeds to help create a no-tolerance environment.</i>					X		<p>Auditee: Vital statistics personnel have phoned the Sheriff's Department when fraud is suspected. The Sheriff's Department has responded quickly.</p> <p>Dept. of Audit: Concur.</p>
10. <i>Instruct staff to request that all applicants provide their fingerprint at the time an application for an ID card is first received.</i>					X		<p>Auditee: The fingerprint is taken early in the process. Then documentation is reviewed in depth. If the documentation appears to be fraudulent and the application is refused, then the fingerprint is available for future reference.</p> <p>Dept. of Audit: Concur.</p>
11. <i>Keep the door from the restricted-access stairwell to the first floor locked at all times.</i>					X		<p>Auditee: Non-Concur. The stairwell is an evacuation route in case of emergency. Public Works confirmed that the stairwell is an emergency exit and locking the doors would violate the fire code. ROD will rely on a badge system for visitors to alert staff.</p> <p>Dept. of Audit: Concur. While we received conflicting data from Risk Management, the use of ID badges should help to address the security problem</p>

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12. <i>Issue visitor passes to members of the public granted access to restricted areas and require them to be prominently displayed at all times.</i>					X		<p>Auditee: Visitors are required to wear badges.</p> <p>Dept. of Audit: Concur.</p>
13. <i>Purchase and install a security camera system for use in the area where business is transacted and ID cards prepared.</i>						X	<p>Auditee: To fully implement this suggestion could be very costly. A camera could be installed where ID cards are prepared. Would this recommendation include cameras to cover other locations where "business is transacted"? Payments for ID cards are received at a cashier's window that is located twenty feet away from the ID card area. Employees at three other cashier windows handle cash. Other employees in three office cubicles handle cash.</p> <p>If the committee determines that a security camera system should be installed, then the Register of Deeds will include this request in the 2004 ROD budget.</p> <p>Dept. of Audit: The recommendation to use security cameras was intended to address the cashier's area as well as the ID area. It is not as important to have security cameras for areas that cash is handled outside the cashier area. Once controls are in place to ensure all transactions are properly recorded, irregularities that occur after that point are more easily identifiable.</p>

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14. <i>Coordinate the performance of criminal record checks on all new potential employees prior to their appointment and all employees attempting to transfer to another position (including promotions) within the County. Further, that DHR promptly communicate the results of its criminal record checks to the appointing authority.</i>					X		<p>Auditee: RoD has followed Human Resources guidelines and has received results of criminal record checks promptly.</p> <p>DHR: Criminal records are performed of new potential employees and current employees who receive new appointments. A follow-up memo will be sent to departments to assure that all affected departments are following this procedure. A successful coordination for prompt response has also been established with the Sheriff's Department.</p> <p>Dept. of Audit: Concur</p>
15. <i>Advise the appointing authority who may wish to disqualify an applicant or any prospective transferee due to information obtained through the criminal checks to assure compliance with applicable laws.</i>					X		<p>Auditee:</p> <p>DHR: Criminal records that are substantially related to a given job are reviewed by Corporation Counsel who confers with the department head to determine an appropriate course of action.</p> <p>Dept. of Audit: Concur</p>
16. <i>Work with County appointing authorities to identify those positions of trust that should be subject to ongoing periodic criminal record checks, conduct such criminal record checks, and communicate the results of criminal record checks to that employee's appointing authority.</i>					X		<p>Auditee:</p> <p>DHR: The Division of Human Resources of the Department of Administrative Services is currently designing a process for this purpose and will contact department heads and appointing authorities on this issue.</p> <p>Dept. of Audit: Concur</p>
17. <i>Monitor changes in positions for those with criminal records to ensure continued suitability for the new position.</i>					X		<p>Auditee:</p> <p>DHR: This is currently done; see number 14.</p> <p>Dept. of Audit: Concur</p>

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18. <i>In cooperation with appointing authorities, should consider all aspects of the specific job being filled before determining if an applicant with a criminal record is suited to the open position.</i>					X		Auditee: DHR: See response to number 15. Dept. of Audit: Concur
19. <i>Be given the responsibility for performing criminal record checks for all County departments other than the Behavioral Health Division, Detention Center, House of Correction and Sheriff's Department.</i>					X		Auditee: DHR: Currently the Division of Human Resources of the Department of Administrative Services is requesting the criminal record checks from the Sheriff's Department with the exception of the departments listed. Dept. of Audit: Concur
20. <i>Comply with the provisions of Chapter 19 of the Milwaukee County Ordinances to include:</i> <ul style="list-style-type: none"> • <i>Notifying all applicable persons whose fingerprints are not on file with Milwaukee County.</i> • <i>With the cooperation of the Milwaukee County Sheriff's Department and County operating departments, establishing a reasonable timetable to allow those persons who do not have fingerprints on file to accomplish this task.</i> • <i>Implementing the provisions of Section 19.05, which includes termination of those employed who do not comply with the fingerprint requirement.</i> 					X	Auditee: DHR: The Division of Human Resources of the Department of Administrative Services, the Safety Coordinator of the Parks Department and the Sheriff's Department have been working in coordination to fingerprint all regular Milwaukee County employees (except seasonal). Several fingerprinting sessions have been held in various county departments. The last session will be on May 7, 2003. Currently, all fingerprints are being entered into the Genesys system and departments will be notified of the names of employees who do not have their fingerprints on file and who should be ordered to come to the last fingerprint session. It is estimated that the last group will be comprised of approximately 200 employees. After the last session, and after notifying department heads and employees, the Division of Human Resources of the Department of Administrative Services will file written charges for discharge against the employees not fingerprinted. Dept. of Audit: Concur	