

PERFORMANCE AUDIT OF THE  
ALLEGHENY COUNTY  
RECORDER OF DEEDS OFFICE

**January 27, 2005**

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Recorder of Deeds McDonald Roberts  
November 30, 2004

We would like to thank the management and staff of the Recorder's office for the courtesy and cooperation extended to us during our audit.

Very truly yours,

Michael Wassil  
Assistant Deputy, Auditing

MARK PATRICK FLAHERTY  
Controller

cc: Rich Fitzgerald, President, Allegheny County Council  
Joe Catanese, Chief of Staff, Allegheny County Council  
Jim Uziel, Deputy Recorder of Deeds

## *Executive Summary*

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### **Purpose of Review**

We completed a performance audit of the Allegheny County Recorder of Deeds Office (Recorder). Our objective was to provide an independent assessment as to whether or not the Recorder is executing its functions, as dictated by statute, in the most efficient and economical manner.

### **Background**

The Recorder of Deeds is the official recording officer of Allegheny County, (County) and is responsible for recording, retaining, and making available to the public all documents such as deeds, mortgages, power of attorneys, uniform commercial code financial statements, bonds and commissions for all County officials and notaries public, military discharges, and subdivision plans. To that end, the Recorder uses a customized records management and imaging software program that was developed and is maintained by Affiliated Computer Services Enterprise Solutions, Inc. (ACS). The Recorder implemented the ACS system in June 2003.

Currently, there are several methods for walk-in customers to obtain copies of recorded documents. Those recorded from October 2001 to the present are available in microfilm format, and through the ACS system. Document images are accessible in ACS via computer terminals located in the public area of the Recorder's office. ACS also contains references to the deed book, volume, and page location of documents recorded from 1986 to the present. After obtaining the location of the document through the indexing information contained in ACS, a manual search through record books or microfilm is required to obtain copies of documents recorded prior to September 2001. There is no information currently in the ACS system for documents recorded prior to 1986. Therefore, the process for obtaining copies of these documents also involves a manual search for the location of these documents. In addition, images of documents recorded from October 2001 to the present can be obtained remotely via an on-line records search through the Recorder's website.

In March 2002, Executive Action 502-02 established the Technology Implementation Project Fund (Fund), a special revenue fund, to recognize revenues from an increase in recording and filing fees. According to Executive Action 502-02, the revenue in the Fund would be used to enhance the delivery of services and begin a technology transformation

## *Executive Summary*

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### **Background**

project in the Recorder's office. In May 2002, the increase in filing fees became effective, and the Fund received an appropriation of \$200,000. The appropriations for 2003 and 2004 were \$1,000,000.

On October 19, 2004, County Council approved motion #1707-04 supporting House Bill (HB) 528, session of 2003, which establishes another special revenue fund, the County Records Improvement fund, to support development and improvement of office records management activities and systems in the Recorder's office. HB 528 has not yet become law.

At the beginning of the audit, there were 60 full-time, and three part-time temporary employees of the Recorder's office. During the course of the audit, the County offered a voluntary separation program to employees who were 55 years of age or older, and had 20 or more years of service, and to any employee who had eight or more years of service. Fifteen employees of the Recorder's office elected to participate in the voluntary separation program. After the voluntary separation program, there were 45 full-time and three part-time temporary employees of the Recorder's office. An additional five full-time positions were created via the Position Transaction Form on August 8, 2004. All salaries and benefits for the additional positions are cross-charged to the Fund as of December 31, 2004.

## *Executive Summary*

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### **Results in Brief**

Our audit disclosed the following

- Opportunities exist for the Recorder to increase productivity and efficiencies by expanding the functionality of its systems to allow for the electronic submission of documents.
- Further automation of the workflow in the Recorder's office can make several current manual processes more efficient.
- Scanning documents recorded prior to 2001 into ACS would result in greater accessibility of recorded documents to the public, and cost savings, efficiencies and improved throughput/productivity through the elimination of certain manual processes.
- The Recorder lacks a records management program to ensure efficient storage and retrieval of records.
- As of October 31, 2004, the balance of \$1,691,104 in the Fund consists of \$744,409 in excess collections, which are due to the County's general fund, and \$946,696 in unused appropriations, which must either be returned to the County's general fund or be spent by the Recorder.
- Of the \$946,696 in unused appropriations in the Fund, only \$421,172 may be spent by the Recorder through December 31, 2004, as this is the amount that remains from the 2004 annual appropriation of \$1,000,000. Therefore, the remaining \$525,524, which represents unused appropriations from prior years, must either be returned to the County's general fund or reappropriated to the Recorder by County Council.
- The Recorder lacks a reasonable and consistent method for allocating personnel and other expenses to the Fund. As a result, there is an increased risk that the monies in the Fund may be used for daily operating expenses that should be borne by the general fund.

## *Executive Summary*

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### **Results in Brief**

- The Recorder lacks a plan to use the unused appropriations in order to further the utilization of technology.
- The Recorder developed a plan to change the organizational structure, but has not taken steps to implement the plan. As a result, there are management employees who seem to have no one reporting to them.
- The Recorder's personnel policies have not been consolidated into a formal manual. In addition, the Recorder may not be efficiently allocating resources and setting effective policies due to the lack of evidence that statistical reports of employee output are being used to manage for results.
- The Recorder lacks an operational policies and procedures manual that identifies job functions, provides job descriptions, which list the duties and responsibilities for each position, and describes how the functions are to be performed.
- The Recorder lacks guidelines for documentation to be included in personnel files.
- The Recorder did not comply with Article XXI of the Service Employees International Union contract (SEIU contract) as non-contractual raises were not offset by wage increases required by the SEIU contract.
- Reviews to ensure that only appropriate users have access to the ACS system are not performed, increasing the risk that access rights of terminated employees are not properly removed on a timely basis, and the risk that access privileges are not compatible to job duties.
- The Recorder does not have updated information regarding utility company contact information, and lists of available utility companies by township in the County in accordance with Section 3 of the Underground Utility Line Protection Act.

## *Executive Summary*

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### **Conclusion**

Our audit disclosed that opportunities exist for the Recorder to improve efficiencies and customer service by implementing electronic recording, automating certain manual workflows, and providing greater access to recorded documents. Furthermore, monies in the Technology Implementation Project Fund may be used to implement our recommended technology enhancements.

### **Recommendations**

Based on the foregoing, we recommend the Recorder:

- identify customers who are capable of submitting documents electronically;
- expand the functionality of the ACS system and the website to permit electronic recording for those identified customers;
- reevaluate staff levels upon implementation of electronic recording;
- develop and implement a plan to further utilize the functionality of the ACS system, and reevaluate staff levels upon implementation of the plan;
- back-scan all documents recorded prior to 2001 to include their images on the ACS system, and reevaluate staff levels upon completion of the back-scanning;
- transfer the original bound books to an offsite location to ensure their preservation;
- retain certain documents in one format, and eliminate the duplicate copies that are currently being stored;
- return the excess collections of \$744,408 in the Fund to the general fund;
- define the specific uses of the fund, and develop and implement consistent allocation methods for charging costs to the Fund;

### **Recommendations**

- develop and implement a plan to utilize the unused appropriations in order to further the utilization of technology, or return the unused amounts to the general fund;
- obtain approval from the Service Employees International Union, and finalize and communicate the organizational chart to all employees;
- consolidate and distribute to its employees a personnel policies and procedures manual that establishes the policies and procedures that will be implemented and monitored by the Recorder;
- document employee goals, and the measurement of their performance against those goals to ensure the efficient allocation of resources;
- prepare and distribute to its employees an operational policies and procedures manual that identifies job functions, provides job descriptions, which list the duties and responsibilities for each position, and describes how the functions are to be performed;
- establish guidelines for documentation to be included in personnel files;
- complete I-9 forms and move them, along with the supporting documentation, to a separate file in the office;
- remove confidential health information from personnel files and move it to a separate file in the office;
- implement procedures to ensure full compliance with the Service Employees International Union contract;
- determine whether current ACS user access levels are appropriate;

**Recommendations**

- develop and implement procedures to review user access privileges on a regular basis and ensure that they are appropriate and compatible to job duties, and appropriately segregate employee duties, and
- maintain updated utility information from PA One Call.

## I. Background

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The Recorder of Deeds is the official recording officer of Allegheny County, (County) and is responsible for recording, retaining, and making available to the public all documents such as deeds, mortgages, power of attorneys, uniform commercial code financial statements, bonds and commissions for all County officials and notaries public, military discharges, and subdivision plans. To that end, the Recorder uses a customized records management and imaging software program that was developed and is maintained by Affiliated Computer Services Enterprise Solutions, Inc. (ACS). The Recorder implemented the ACS system in June 2003.

Currently, there are several methods for walk-in customers to obtain copies of recorded documents. Those recorded from October 2001 to the present are available in microfilm format, and through the ACS system. Document images are accessible in ACS via computer terminals located in the public area of the Recorder's office. Obtaining copies of document images contained in ACS involves printing the appropriate ACS screen, and paying the Recorder's copying fee of \$1.00 per page (for a non-certified copy). ACS also contains references to the deed book, volume, and page location of documents recorded from 1986 to the present. After obtaining the location of the document through the indexing information contained in ACS, a manual search through record books or microfilm is required to obtain copies of documents recorded prior to September 2001. The aforementioned copying fee also applies. There is no information currently in the ACS system for documents recorded prior to 1986. Therefore, the process for obtaining copies of these documents also involves a manual search for the location of these documents, and paying the aforementioned Recorder's copying fee.

In addition, images of documents recorded from October 2001 to the present can be obtained remotely via an on-line records search through the Recorder's website. There is no cost for searching for documents via the website. However, fees for document images that can be printed from a remote location are as follows: commercial users with draw down accounts are charged 50 cents per page for the first 10 pages of a document, with the remaining pages of that document at no cost. Casual website users with credit cards are charged \$1.00 per page for the first 10 pages of a

## I. Background

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document, with the remaining pages of that document at no cost.

In March 2002, Executive Action 502-02 established the Technology Implementation Project Fund (Fund), a special revenue fund, to recognize revenues from an increase in recording and filing fees. According to Executive Action 502-02, the revenue in the Fund should be used to enhance the delivery of services and begin a technology transformation project in the Recorder's office. In May 2002, the increase in filing fees became effective, and the Fund received an appropriation of \$200,000. The appropriations for 2003 and 2004 were \$1,000,000. The Recorder is responsible for properly allocating revenue, up to the amount of the appropriation, to the Fund, and the remainder to the County's general fund. Table 1 below summarizes the activity in the Fund from inception through October 31, 2004.

(Table 1)

Technology Implementation Project Fund - Inception to 10/31/04				
			1/1/04 to	
	2002	2003	10/31/04	Total
Revenue	\$398,525	\$1,393,251	\$1,152,633	\$2,944,409
Approved Appropriation	200,000	1,000,000	1,000,000	2,200,000
Excess Over Approved Appropriation	198,525	393,251	152,633	744,409
Total Expenditures	\$118,230	\$556,246	\$578,828	\$1,253,304
Excess of Approved Appropriation Over Expenditures	\$81,770	\$443,754	\$421,172	\$946,696

On October 19, 2004, County Council approved motion #1707-04 supporting House Bill (HB) 528, session of 2003, which establishes another special revenue fund, the County Records Improvement fund, for the Recorder. HB 528 provides that an additional fee in the amount of \$5.00 is to be added to the existing recording fees charged by the Recorder. According to HB 528, the \$5.00 fee will be distributed as follows: \$3.00 will be retained by the Recorder, and \$2.00 is to be deposited in the County's Records Improvement Fund. The stated purpose of HB 528 is to establish a fund to support development and improvement of office records management activities and systems in the Recorder's office. HB 528 has not yet become law.

## I. Background

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At the beginning of the audit, there were 60 full-time, and three part-time temporary employees of the Recorder's office. During the course of the audit, the County offered a voluntary separation program to employees who were 55 years of age or older, and had 20 or more years of service, and to any employee who had eight or more years of service. Fifteen employees of the Recorder's office elected to participate in the voluntary separation program. After the voluntary separation program, there were 45 full-time and three part-time temporary employees of the Recorder's office. An additional five full-time positions were created via the Position Transaction Form on August 8, 2004. All salaries and benefits for the additional positions are cross-charged to the Fund as of December 31, 2004.

## II. Scope and Methodology

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We completed a performance audit of the Allegheny County Recorder of Deeds Office (Recorder). Our objective was to provide an independent assessment as to whether or not the Recorder is executing its functions, as dictated by statute, in the most efficient and economical manner. Specifically, we:

- Interviewed Recorder's staff and observed the workflows to gain an understanding of the activities in the Recorder's office;
- Prepared flowcharts of the workflows, and evaluated them for strengths and weaknesses;
- Analyzed work volumes and processing times to determine the appropriateness of staff levels;
- Obtained data from ten county recorder of deeds offices in Pennsylvania to identify processes or procedures that improve efficiency and to analyze staff levels in the Allegheny County Recorder's office;
- Obtained an understanding of the information technology used in the Recorder's office, and evaluated the adequacy of its use;
- Reviewed personnel files and determined whether human resources policies and procedures are in place;
- Evaluated the reasonableness of the recorded revenues and expenditures of the Recorder's Technology Implementation Project Fund (Fund) and determined the nature of the balance in the Fund;
- Reviewed expenditures against the 2004 budget for reasonableness.

We conducted the substantial portion of the fieldwork for our audit from May through September and November of 2004. We provided the Recorder with a draft copy of this report for comment. The response to the recommendations is presented in Appendix I, page 32.

### **III. Findings and Recommendations**

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#### **Utilization of Electronic Recording**

Electronic recording (E-recording) of documents is an automated process of submitting, indexing, executing and storing documents in an electronic format. E-recording technologies are currently being implemented by members of the Property Records Industry Association (PRIA), a coalition of public and private participants in the property records industry that develops best practices for property records systems. The benefits of E-recording include cost savings and efficiencies through the elimination of manual processes, reduced recording times and errors and improved throughput/productivity. According to the PRIA website, there are 47 jurisdictions in the United States that are currently enabled to perform E-recording, and an additional 21 counties that are ready to announce the use of E-recording.

Our testing disclosed that approximately 6,144 documents are processed per employee of the Recorder. However, in Lancaster County, where E-recording is used, approximately 10,711 documents are processed per employee. Currently, between six and seven employees of the Recorder manually receive and scan documents. While the Recorder's website enables users to search and retrieve copies of documents recorded, opportunities exist to expand the functionality of the ACS system and the Recorder's website to permit the automated submission of documents.

#### **Recommendations**

To increase productivity and efficiencies within Recorder's office and the customers it serves, we recommend that the Recorder:

- identify customers who are capable of submitting documents electronically,
- expand the functionality of the ACS system and the website to permit E-recording for those identified customers, and
- reevaluate staff levels upon implementation of E-recording.

### **III. Findings and Recommendations**

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#### **Management Response**

The Recorder's Office is in the process of pursuing this recommendation. The Recorder's Office sent a copy of the E-recording Agreement to the County Manager's Office, (Derek Uber), in early November, 2004. The County Manager in turn forwarded it to the County Law Department. To date, (January 19, 2005) the Recorder's Office has not received a response from the County Administration regarding this agreement. The Recorder of Deeds has decided to move forward with this project.

Agree. The Recorder's Office continuously evaluates staff levels throughout the office and in recording areas.

### **III. Findings and Recommendations**

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#### **Workflow Automation Through Use of Technology**

Workflow automation can improve efficiency and result in cost savings by increasing productivity and accuracy while improving customer service, and providing an instant audit trail. However, the benefits of workflow automation will not be fully realized if the functionality of new technology is not completely implemented and utilized. In 2003, the Recorder implemented the ACS system with the goal of improving recording time and making documents available to the public more quickly. However, certain workflows were not automated to fully utilize the benefits of the new system.

During our audit, we noted that several manual processes currently being performed in the Recorder's office could be made more efficient through increased utilization of the ACS system including:

- the manual transportation by one employee of documents from the cashiers to the scanners;
- the manual preparation of bail bond form 111b and the mortgage research form by one employee, and
- the manual preparation of a three-part receipt by the three copy room employees.

#### **Recommendation**

To enhance productivity and efficiencies, we recommend that the Recorder develop and implement a plan to further utilize the functionality of the ACS and scanning systems, and reevaluate staff levels upon implementation of the plan.

#### **Management Response**

Agree. The Recorder's Office will research, develop and implement a plan.

### **III. Findings and Recommendations**

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#### **Back-Scan Documents Recorded Prior to 2001**

The ACS system enables the Recorder's customers to view images of recorded documents from computer terminals within the Recorder's office, and from offsite locations through the internet. Document images can be retrieved through ACS by using any of several search criteria including: name, recording date, property location, and volume and page number. Currently, only images of documents recorded from September 2001 to the present are available on ACS.

A manual search through record books or microfilm is required to obtain documents recorded prior to September 2001. However, ACS contains references to the location of documents in record books for documents recorded from 1986 to the present. In addition, microfilm copies of documents recorded from 1993 to 2003 are available onsite. Six Recorder's office employees currently staff the copy room and microfilm room to assist customers with manual search and retrieval of documents.

Back-scanning documents recorded prior to 2001 to include their images on the ACS system would result in greater accessibility of recorded documents to the public and cost savings, efficiencies and improved throughput/productivity through the elimination of the following manual processes:

- searching for documents through record books and through microfilm,
- retrieving documents from record books and from microfilm, and
- providing documents onsite in microfilm format.

According to the Recorder's staff, a request for proposal to complete the backscanning, indexing, and verifying of copies of the estimated 4.2 million documents recorded from January 1, 1997 through October 1, 2001 will be issued in January 2005. The Recorder estimates the cost for this project to be between \$400,000 and \$600,000.

The Recorder assigned an employee to backscan, as time permits, documents recorded prior to January 1, 1997. According to the Recorder's staff, these documents will be

### **III. Findings and Recommendations**

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backscanned internally as copies are not available for use by a third party vendor.

#### **Recommendation**

To increase productivity and efficiencies and make recorded documents more accessible to the public, we recommend that the Recorder back-scan all documents recorded prior to 2001 to include their images on the ACS system, and reevaluate staff levels upon completion of the back-scanning.

#### **Management Response**

Agree. The Recorder's Office has begun Phase I of the back-scanning project. This involves the period of January 1, 1997 through September 30, 2001. An RFP for back-scanning was submitted to the Purchasing Department. The RFP was posted Friday, January 14, 2005. All responses are to be returned by February 3, 2005. Upon completion of this response period, the Recorder will choose a vendor for the project.

The Recorder's Office is current back-scanning deeds beginning with December 1996 and working backwards.

### **III. Findings and Recommendations**

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#### **Records Retention**

Under the County Records Act of 1963, the county records committee, with the assistance of the Pennsylvania Historical and Museum Commission (Commission), is responsible for administering a records management program for certain county offices, including that of the Recorder. Accordingly, the County Records Manual (manual) was issued. The manual contains records retention schedules, disposition procedures, and audit requirements for county administrative and financial offices.

An effective records management program can reduce the cost of storing and retrieving records, and can increase productivity by saving staff time. Although the manual requires most records of the Recorder to be retained permanently for administrative, legal and historical purposes, it also notes that records scheduled for permanent retention may be in microfilm format. Currently, the Recorder maintains recorded information onsite in three forms that cover duplicate time periods. In addition, microfilm copies of all records are stored offsite.

According to the Commission's Division of Archival and Records Management Services, under these circumstances, the original bound books should be retired because they are historically valuable records.

#### **Recommendation**

We recommend that the Recorder

- transfer the original bound books to the offsite location to ensure their preservation, and
- retain certain documents in one format.

#### **Management Response**

Agree. The bound books will be removed in phases as the documents are back-scanned and checked for clarity.

### **III. Findings and Recommendations**

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Agree. The Recorder's Office has implemented Phase I of back-scanning. Retaining documents in one format is a work in progress. The simplex copies were being stored in anticipation of the back-scanning project. The Recorder's Office does not store duplicate copies of documents.

### **III. Findings and Recommendations**

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#### **Technology Implementation Project Fund**

In March 2002, Executive Action 502-02 established the Technology Implementation Project Fund (Fund), a special revenue fund, to recognize revenues from an increase in recording and filing fees. According to Executive Action 502-02, the revenue in the Fund should be used to enhance the delivery of services and begin a technology transformation project in the Recorder's office. In May 2002, the increase in filing fees became effective, and the Recorder's Fund received an appropriation of \$200,000. The appropriations for 2003 and 2004 were \$600,000 and \$1,000,000, respectively. Table 1 on page 10 summarizes the activity in the Fund from inception through October 31, 2004. The Recorder is responsible for properly depositing cash receipts into the Fund up to the approved annual appropriation, and for depositing the excess collections into the general fund.

Our analysis of the Fund revealed the following:

- As of October 31, 2004, the balance in the Fund of \$1,691,104 consists of \$744,409 collections in excess of appropriations, which are due to the County's general fund, and \$946,696 in unused appropriations, which must either be returned to the County's general fund or be spent by the Recorder.
- Of the \$946,696 in unused appropriations, only \$421,172 may be spent by the Recorder through December 31, 2004, as this is the amount that remains from the 2004 annual appropriation of \$1,000,000. Therefore, the remaining \$525,524, which represents unused appropriations from prior years, must either be returned to the County's general fund or reappropriated to the Recorder by County Council.

### **III. Findings and Recommendations**

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- The Fund's enabling legislation lacks explicit language about the specific types of expenses that are allowable, and the duration of the Fund.
- The Recorder lacks a reasonable and consistent method for allocating personnel expenses to the Fund. As a result, there is an increased risk that the monies in the Fund may be used for daily operating expenses that should be borne by the general fund. Currently, personnel expenses for three full-time employees are charged to the Fund as follows: 100% for two full-time employees and six percent for the third full-time employee. We noted that the two employees that are allocated at 100% are clerks that perform similar duties as many other employees in the office. In addition, the Recorder received approval for five additional full-time employees, whose personnel expenses will be entirely charged to the Fund.

#### **Recommendations**

We recommend that the Recorder:

- return the excess collections of \$744,409 to the general fund,
- define the specific types of expenses that are allowable, and develop and implement consistent allocation methods for charging costs to the Fund, and
- develop and implement a plan to utilize the unused appropriations in order to further the utilization of technology, or return the unused amounts to the general fund.

#### **Management Response**

The excess was returned to the County general fund in early November, 2004.

Agree. Specific uses of the fund have been defined. Allocation methods are consistent.

### **III. Findings and Recommendations**

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One of the Recorder of Deeds initiatives presented to the Budget Office in 2002 was the back-scanning of permanent records back to 1986. This continued to be an initiative in 2003 and 2004. With the creation of the Technology Fund, the Recorder's Office is finally able to realize the back-scanning of the permanent records.

The Recorder's Office was told that the Tech Fund revenue would carry over from year to year. The Recorder's Office was not aware that the unused portion had to be allocated or returned to the general fund until this audit was performed.

### **III. Findings and Recommendations**

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#### **Organizational Structure**

A well-designed and effective organizational structure includes an organizational chart that defines employee functions, dependencies and relationships. It assists management with planning and communicating organizational information to employees, and improves productivity as employees are aware of their role in achieving organizational goals.

During our audit, we noted that the Recorder developed a plan to change the organizational structure within the office, but has not taken steps to implement the plan. Due to the nature of some of the proposed changes, the Recorder needs to complete the Job Classification Appeals Form and begin the process of obtaining approval from the Service Employees International Union (SEIU). Until that happens, the organizational chart that defines employee functions, dependencies and relationships will not be finalized and communicated to the employees of the Recorder. Our observations and discussions with the Recorder's staff revealed that there are management employees who seem to have no one reporting to them.

#### **Recommendation**

We recommend that the Recorder obtain approval from the SEIU, and finalize and communicate the organizational chart to all employees.

#### **Management Response**

Agree. The Recorder's Office is currently pursuing this.

### **III. Findings and Recommendations**

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#### **Personnel Policies and Procedures Manual**

A well-written personnel policies and procedures manual communicates management's expectations to employees, and can be used to demonstrate management's commitment to a positive work environment. To be effective, the policies and procedures of the Recorder should be documented, communicated to employees, and put into operation. Compliance with the documented policies and procedures should also be monitored to ensure consistent application and enforceability.

During our audit, we noted that certain policies are written and located in various places within the office, but they are not organized into a manual and distributed to employees.

In addition, we were unable to determine whether certain written policies, such as quota expectations, were implemented by management. Management was able to provide statistical reports of the output of their employees, but there was a lack of evidence that those statistical reports were used to manage for results. Therefore, the Recorder may not be efficiently allocating resources and setting effective policies.

#### **Recommendations**

We recommend that the Recorder:

- consolidate and distribute to its employees a personnel policies and procedures manual that establishes the policies and procedures that will be implemented and monitored by the Recorder, and
- determine and document employee goals, and measure their performance against those goals to ensure the efficient allocation of resources.

#### **Management Response**

Though Office Work Policies and Procedures have been distributed to employees in stages, the Recorder's Office is pursuing the recommendation to compile the office policies and procedures in a manual form and will distribute the manual to the employees.

### **III. Findings and Recommendations**

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For the last three years, the Recorder's Office has conducted year-end, detailed employee performance evaluations. Though performance statistics for employees are monitored bi-weekly, the Recorder's Office will also include a measurement of the employee's performance/statistics in the employee's personnel file on a bi-yearly basis.

### **III. Findings and Recommendations**

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#### **Lack of Operational Policies and Procedures Manual**

An operational policies and procedures manual helps to ensure the continuity of operations in the event of a change in personnel. It can be used to train new employees and as a reference guide for current employees. An effective operational policies and procedures manual identifies job titles, provides job descriptions, which list the functions and responsibilities for each position, and describes how the functions are to be performed. Well-written job descriptions can be used to measure employee performance.

During our audit, we noted that the Recorder does not have an operational policies and procedures manual that identifies job functions, provides job descriptions, which list the duties and responsibilities for each position, and describes how the functions are to be performed. While experienced employees are an asset to an entity, their experience should not be considered a substitute for an operational policies and procedures manual.

#### **Recommendation**

We recommend the Recorder prepare and distribute to its employees an operational policies and procedures manual that identifies job functions, provides job descriptions, which list the duties and responsibilities for each position, and describes how the functions are to be performed.

#### **Management Response**

Agree. The Recorder's Office is in the process of compiling operational policies and procedures and will distribute them to the employees in a manual format.

### **III. Findings and Recommendations**

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#### **Documentation in Personnel Files**

Good business practice is to keep employee records in personnel files that contain documentation on job performance and work history. Additionally, the maintenance of certain employee information is required by law. For example, the Immigration Reform and Control Act of 1986 requires that Employment Eligibility Verification (I-9) Forms be maintained by employers. These forms are used by employers to document an employee's identity and right to work in this country. Most employers obtain copies of employees' Social Security cards and driver's licenses as evidence of verification for the I-9 form. Because many government agencies have the right to inspect these records at any time, it is recommended that the I-9 forms and supporting documentation be kept separate and apart from the personnel files. In addition, confidential health information is protected under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), and is required to be kept separate and apart from other records.

During our audit, we noted that I-9 forms were not completed by the Recorder's staff and were located in employee personnel files. In addition, the personnel files maintained by the Recorder contained confidential health information that is required by HIPAA to be kept separate and apart from the personnel files.

#### **Recommendations**

We recommend that the Recorder establish guidelines for documentation to be included in personnel files. In addition, the Recorder should:

- complete I-9 forms and move them, along with the supporting documentation, to a separate file in the office, and
- remove confidential health information from personnel files and move it to a separate file in the office.

#### **Management Response**

Agree. Completed.

### **III. Findings and Recommendations**

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#### **Noncompliance with SEIU Contract**

The Service Employees International Union contract (SEIU contract) sets forth the compensation requirements that the Recorder must follow for union employees. Article XXI of the SEIU contract states that union employees should not receive the benefit of both the salary increase granted by the contract, and the benefit of a non-contractual salary increase. Instead, non-contractual salary increases are to be offset by contractual salary increases.

During our audit, we noted that the Recorder did not comply with Article XXI of the SEIU contract. Specifically, we found that non-contractual raises were not offset by wage increases required by the SEIU contract.

#### **Recommendation**

We recommend that the Recorder implement procedures to ensure full compliance with the SEIU contract.

#### **Management Response**

Agree.

### **III. Findings and Recommendations**

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#### **User Access Reviews**

Heavy reliance on computer systems increases the need for controlling the risks associated with operating them. Computer resources should be secured and access to them should be monitored to ensure that they are used by the appropriate people for their intended purposes. The lack of adequate computer security controls can impair the integrity of a system by not preventing unauthorized transactions, modifications to or deletions of transactions, and system unavailability.

During our audit, we found that reviews to ensure that only appropriate users have access to the ACS system are not performed, increasing the risk that access rights of terminated employees are not properly removed on a timely basis, and the risk that access privileges are not compatible to job duties. Our review of ACS system access levels identified that 22 employees are able to void same-day receipts. Of the 22 employees, four are cashiers that are responsible for entering daily cash receipts into the ACS system. As a result, unauthorized voided transactions and misappropriation of cash receipts may not be detected.

#### **Recommendations**

We recommend that the Recorder:

- determine whether current ACS user access levels are appropriate, and
- develop and implement procedures to review user access privileges on a regular basis and ensure that they are appropriate and compatible to job duties and appropriately segregate employee duties.

#### **Management Response**

Agree.

### **III. Findings and Recommendations**

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#### **Noncompliance with the Underground Utility Line Protection Act**

Under Section 3 of the Underground Utility Line Protection Act (Act 187 of 1996: 73 P.S. § 176 et. seq.), it is the responsibility of the Pennsylvania One Call System (PA One Call) to provide updated utility company contact information, and lists of available utility companies by township in the County to the Recorder's office. The Recorder is required to maintain these lists, and make them available to the public.

During our audit, we noted that the Recorder does not have updated information regarding utility company contact information, and lists of available utility companies by township in the County. The utility information contained in the Recorder's office was dated October 7, 2002.

#### **Recommendation**

To ensure compliance with the Underground Utility Line Protection Act, we recommend that the Recorder maintain updated utility information from PA One Call.

#### **Management Response**

The Recorder's Office is currently researching this recommendation. PA One Call supplies us with a undated manual on a yearly basis.