



INTERNAL AUDIT DEPARTMENT



**Second Follow-Up
Internal Control Audit:
John Wayne Airport
Cash Disbursements & Payables**

As of March 31, 2025

**Audit No. 2013-F2
Report Date: May 28, 2025**

Recommendation Status

**FIRST
FOLLOW-UP**

**SECOND
FOLLOW-UP**

0

Implemented

0

1

In Process

1

0

Not Implemented

0

0

Closed

0

Second Follow-Up totals represent findings that were In Process or Not Implemented at First Follow-Up

OC Board of Supervisors

CHAIR DOUG CHAFFEE
4th DISTRICT

VICE CHAIR KATRINA FOLEY
5th DISTRICT

SUPERVISOR JANET NGUYEN
1st DISTRICT

SUPERVISOR VICENTE SARMIENTO
2nd DISTRICT

SUPERVISOR DONALD P. WAGNER
3rd DISTRICT



INTERNAL AUDIT DEPARTMENT

Audit No. 2013-F2

May 28, 2025

To: Charlene Reynolds
John Wayne Airport Director

From: Aggie Alonso, CPA, CIA, CRMA
Internal Audit Department Director

Digitally signed by Agripino
Alonso
Date: 2025.05.28 10:13:09
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Subject: Second Follow-Up Internal Control Audit: John Wayne Airport Cash Disbursements & Payables

We have completed a second follow-up audit of John Wayne Airport (JWA) Cash Disbursements & Payables as of March 31, 2025, original Audit No. 2013, dated June 19, 2023. Details of our results immediately follow this letter. Additional information including background and our scope is included in Appendix A.

Our second follow-up audit concluded that JWA is in process of implementing the one recommendation from the original audit. Because the recommendation has not yet been implemented, it will be brought to the attention of the Audit Oversight Committee at its next scheduled meeting.

We appreciate the assistance extended to us by JWA personnel during our follow-up audit. If you have any questions, please contact me at (714) 834-5442 or Deputy Director Jose Olivo at (714) 834-5509.

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- County Executive Office Distribution
- John Wayne Airport Distribution
- Auditor-Controller Satellite Accounting Operations Distribution
- Robin Stieler, Clerk of the Board
- Foreperson, Grand Jury
- Eide Bailly LLP, County External Auditor

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RESULTS

FINDING NO. 1	Timely Payments of Invoices								
CATEGORY	Control Finding								
RECOMMENDATION	JWA management ensure invoices are paid timely (within 30 days).								
CURRENT STATUS & PLANNED ACTION	<p>In Process. We noted in our First Follow-up Audit that JWA Executive Management notified staff of their responsibility to review and approve invoices timely. JWA also implemented a process via OC Expediter for staff to track and monitor invoices to ensure they are paid timely and document delays.</p> <p>To validate JWA's efforts, we judgmentally selected five invoices and noted that two of the five (40%) invoices tested were not paid timely and did not include an explanation in OC Expediter for delayed payment. One invoice for \$615.03 required 51 days to be processed for payment, while the other invoice for \$20.73 took 49 days. Untimely payments can contribute to vendors' lack of interest in working with the County, especially impacting small businesses that cannot afford to wait on late payments. During the original audit period, JWA disbursed \$96 million annually.</p> <p>While this issue is not unique to JWA or other departments within the County, JWA indicated they will continue to strive towards paying invoices timely and will ensure that explanations are included in OC Expediter for delayed payments.</p> <p>Based on the actions taken by JWA, we consider this recommendation in process.</p>								
AUDIT TEAM	<table> <tr> <td>Michael Dean, CPA, CIA, CISA</td> <td>Assistant Deputy Director</td> </tr> <tr> <td>Daniel Ortiz, CPA</td> <td>Audit Manager</td> </tr> <tr> <td>JC Lim, CIA, CISA</td> <td>Senior Auditor</td> </tr> <tr> <td>Gabriela Cabrera, CIA</td> <td>Administrative Services Manager</td> </tr> </table>	Michael Dean, CPA, CIA, CISA	Assistant Deputy Director	Daniel Ortiz, CPA	Audit Manager	JC Lim, CIA, CISA	Senior Auditor	Gabriela Cabrera, CIA	Administrative Services Manager
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by JWA as of March 31, 2025 to implement the one recommendation from our original Audit No. 2013, dated June 19, 2023.
BACKGROUND	The original audit evaluated operational effectiveness of internal control over the cash disbursements & payables process. The original audit identified one Control Finding.



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APPENDIX B: FOLLOW-UP AUDIT IMPLEMENTATION STATUS

Implemented	In Process	Not Implemented	Closed
The department has implemented our recommendation in all respects as verified by the follow-up audit. No further follow-up is required.	The department is in the process of implementing our recommendation. Additional follow-up may be required.	The department has taken no action to implement our recommendation. Additional follow-up may be required.	Circumstances have changed surrounding our original finding/ recommendation that: (1) make it no longer applicable or (2) the department has implemented and will only implement a portion of our recommendation. No further follow-up is required.

