INTERNAL AUDIT DEPARTMENT

First & Final Close-Out
Follow-Up Internal Control Audit:
Countywide Audit of County Business Travel and Meeting Policy – Assessor

As of March 31, 2019

Audit No. 1839-C (Reference 1626-C-F1)
Report Date: June 28, 2019

Recommendation Status

4	Implemented
0	In Process
0	Not Implemented
0	Closed

OC Board of Supervisors

Chairwoman Lisa A. Bartlett 5th District	Vice Chair Michelle Steel 2nd District	Supervisor Andrew Do 1st District	Supervisor Donald P. Wagner 3rd District	Supervisor Doug Chaffee 4th District

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Audit No. 1839-C
(Reference 1626-C-F1)

June 28, 2019

To: Claude Parrish
Assessor

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit:
Countywide Audit of County Business Travel and Meeting Policy – Assessor

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We have completed a follow-up audit of Assessor expenditures governed by the County Business Travel and Meeting Policy as of March 31, 2019, original Audit No. 1626-C, dated June 26, 2018. Details of our results immediately follow this letter. Additional information including background and our scope are included in Appendix A.

Our First Follow-Up Audit concluded that the Assessor implemented all four (4) recommendations from the original audit that were concurred with (we did not follow-up on one recommendation not concurred with). This report represents the final close-out of the original audit because all of the recommendations concurred with have been implemented or closed.

We appreciate the assistance extended to us by Assessor personnel during our follow-up audit. If you have any questions, please contact me at 714.834.5442 or Assistant Director Scott Suzuki at 714.834.5509.

Attachments

Other recipients of this report:
Members, Board of Supervisors
Members, Audit Oversight Committee
Assessor Distribution
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Vavrinek, Trine, Day & Co., LLP, County External Auditor

INTERNAL AUDIT DEPARTMENT

RESULTS

FINDING NO. 1	**No Policy and Procedures for Business Travel and Meeting Administration**
CATEGORY	**Control Finding**
RECOMMENDATION	We recommend the Assessor develop detailed policies and procedures regarding business travel and meeting expenditures.
CURRENT STATUS	**Implemented.** The Assessor has developed detailed internal policy and procedures regarding business travel and meeting expenditures. The Assessor also disseminated the new policy and procedures to applicable staff. Based on the actions taken by the Assessor, we consider this recommendation implemented.

FINDING NO. 2	**Inadequate Duties Segregation for the Revolving Cash Fund**
CATEGORY	**Control Finding**
RECOMMENDATION	We recommend the Assessor ensure revolving fund purchases are approved by an authorized person who does not have revolving fund custodian, check signer, or reconciliation duties.
CURRENT STATUS	**Implemented.** The Assessor has established appropriate revolving fund staff assignments. All travel requisitions/purchases are approved by a Division Manager, with final approval from the Assessor. Division Managers do not have revolving fund custodian, check signer, or reconciliation duties. We examined four travel-related revolving fund transactions (three petty cash and one cash advance) and noted that the purchases were approved by an authorized person with no other revolving fund duties. Based on the actions taken by the Assessor, we consider this recommendation implemented.

FINDING NO. 3	**Non-Compliant Timing of Mileage and Other Expenses Claim Form Submittal**
CATEGORY	**Control Finding**
RECOMMENDATION	We recommend the Assessor ensure its staff submit MOE claim forms only once a month as required. We also recommend the Assessor ensure Mileage and Other Expenses Claim forms are properly approved and submitted within six months as required.
CURRENT STATUS	**Implemented.** The Assessor disseminated a memo advising staff to submit MOE claim forms only once a month and to ensure the MOE claim forms are properly approved and submitted within six months as required. We examined seven MOE claim forms and noted that staff submitted only one claim form per calendar month. In addition, all claims were properly approved and submitted within six months. Based on the actions taken by the Assessor, we consider this recommendation implemented.

FINDING NO. 4	**Supporting Documentation Not Canceled**
CATEGORY	**Control Finding**
RECOMMENDATION	We recommend Assessor ensure supporting documentation for travel expenditures is properly canceled (marked as “paid”).
CURRENT STATUS	**Implemented.** We examined four travel-related revolving fund transactions (three petty cash and one cash advance) and noted all supporting documentation was properly canceled (marked as “paid”). Based on the actions taken by the Assessor, we consider this recommendation implemented.

AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA	Assistant Director
	Michael Dean, CPA, CIA, CISA	Senior Audit Manager
	Gianne Acosta, CIA	Audit Manager

APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by the Assessor as of March 31, 2019 to implement four (4) recommendations from our original Audit No. 1626-C, dated June 26, 2018. We did not follow up on one (1) recommendation regarding the implementation of an automated purchase requisition system because the Assessor did not concur with our recommendation.
BACKGROUND	The original audit evaluated operational effectiveness of internal control for expenditures governed by the County Business Travel and Meeting Policy and compliance of expenditures with County policy. The original audit identified five (5) Control Findings.

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.