



# INTERNAL AUDIT DEPARTMENT



## Second & Final Close-Out Follow-Up: Countywide Audit of Fiduciary Funds – Sheriff-Coroner

As of May 31, 2019

Audit No. 1839-I (Reference 1519-F2)  
Report Date: June 27, 2019

### Recommendation Status

**2**

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



## INTERNAL AUDIT DEPARTMENT

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Audit No. 1839-I  
(Reference 1519-F2)

June 27, 2019

To: Don Barnes  
Sheriff-Coroner

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

Subject: Second & Final Close-Out Follow-Up:  
Countywide Audit of Fiduciary Funds – Sheriff-Coroner

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We have completed a follow-up audit of Sheriff-Coroner (OCSD) fiduciary funds as of May 31, 2019, original Audit No. 1519, dated June 8, 2017. Details of our results immediately follow this letter. Additional information including background and our scope are included in Appendix A.

Our Second Follow-Up Audit concluded OCSD implemented the two (2) remaining recommendations from the original audit. This report represents the final close-out of the original audit because all recommendations have been implemented or closed.

We appreciate the assistance extended to us by OCSD 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
- Sheriff-Coroner Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Vavrinek, Trine, Day & Co., LLP, County External Auditor

## INTERNAL AUDIT DEPARTMENT

## RESULTS

<b>FINDING NO. 1</b>	<b>Fiduciary Funds with No Activity Should be Evaluated</b>	
<b>CATEGORY</b>	<b>Control Finding</b>	
<b>RECOMMENDATION</b>	The Sheriff-Coroner evaluate these inactive fiduciary funds and DBSA sub-accounts, and determine if they should be closed-out if no longer needed for current operations.	
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> OCSD submitted documentation to the Treasurer-Tax Collector to close-out inactive accounts.</p> <p>Based on the actions taken by OCSD, we consider this recommendation implemented.</p>	
<b>FINDING NO. 5</b>	<b>Misclassification of Fund Type for Civil Process Service Fee in Fund 370</b>	
<b>CATEGORY</b>	<b>Control Finding</b>	
<b>RECOMMENDATION</b>	The Sheriff-Coroner work with Auditor-Controller's office to properly classify Fund 370, that holds the civil process fees designated for specific purpose, as a Special Revenue Fund.	
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> OCSD worked with the Auditor-Controller (A-C) to establish Special Revenue Fund 142, Sheriff Court Ops – Special Collections, for fees collected by the Sheriff's Civil Division under Government Code Sections 26720-26751. OCSD submitted documentation to the A-C to close Fund 370 and transfer the balance to Fund 142.</p> <p>Based on the actions taken by OCSD, we consider this recommendation implemented.</p>	
<b>AUDIT TEAM</b>	Scott Suzuki, CPA, CIA, CISA Michael Dean, CPA, CIA, CISA Gianne Acosta, CIA	Assistant Director Senior Audit Manager Audit Manager



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## APPENDIX A: ADDITIONAL INFORMATION

<b>SCOPE</b>	Our follow-up audit was limited to reviewing actions taken by OCSD as of May 31, 2019 to implement the two (2) remaining recommendations from our First Follow-Up Audit No. 1735-P, dated March 27, 2018.
<b>BACKGROUND</b>	We completed a Countywide Audit of Fiduciary Funds for the Sheriff-Coroner to ensure that funds were properly administered, safeguarded, and maintained in compliance with County policy, procedures, and specific fund requirements. The First Follow-Up Audit concluded implementation of recommendations related to two (2) Control Findings were in process.



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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.

