



INTERNAL AUDIT DEPARTMENT



Second & Final Close-Out Follow-Up Internal Control Audit: Social Services Agency Revolving Funds

As of April 30, 2019

Audit No. 1839-N (Reference 1633-F2)
Report Date: May 23, 2019

Recommendation Status

1

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

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4th District



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Audit No. 1839-N
(Reference 1633-F2)

May 23, 2019

To: Debra J. Baetz, Director
Social Services Agency

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

Subject: Second & Final Close-Out Follow-Up Internal Control Audit:
Social Services Agency Revolving Funds

We have completed a follow-up audit of Social Services Agency's (SSA) Revolving Funds as of March 31, 2019, original Audit No. 1633 dated May 30, 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 noted SSA implemented the one (1) remaining recommendation from the original audit. Because all recommendations have been implemented, this report represents the final close-out of the original audit.

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

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Social Services Agency Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Vavrinek, Trine, Day & Co., LLP, County External Auditor

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RESULTS

FINDING NO. 1	Segregation of Duties – Profiles within CalWIN System	
CATEGORY	Critical Control Weakness	
RECOMMENDATION	We recommend SSA prepare formal policy and procedures that document: (1) who should be in the limited group “superusers”, (2) the ability to open a new case is not available to the “golden supervisor” and “superusers” groups, (3) the detective control of performing regularly scheduled reviews of the detailed activities performed by users with the remaining unmodified “golden” profiles.	
CURRENT STATUS & PLANNED ACTION	<p>Implemented. Our first follow-up audit found that SSA had limited the number of “superusers” and “golden” profiles in addition to developing a regularly scheduled review process for the remaining unmodified “golden” profiles. However, they had not yet performed regularly scheduled reviews of the detailed activities performed by those users.</p> <p>During the second follow-up audit, we found that SSA had performed reviews of the “superusers” activity and cases created within CalWIN on a quarterly basis. The “golden” profiles identified in the original audit no longer have the capability to create cases within CalWIN.</p> <p>Based on the actions taken by SSA, we consider this recommendation implemented.</p>	
AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA Michael Dean, CPA, CIA, CISA Scott Kim, CPA, CISA	Assistant Director Senior Audit Manager IT Audit Manager



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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by SSA as of March 31, 2019 to implement the one (1) remaining recommendation from our First Follow-Up Audit No. 1735-K, dated September 7, 2018.
BACKGROUND	The original audit evaluated operational objectives related to administration of the revolving cash funds, compliance with County policy, completeness, accuracy, and timely processing of revolving cash fund transactions, appropriate mixture of control activity types present in revolving cash fund, and adequate segregation of duties for administration of the revolving cash fund. The original audit identified one (1) Critical Control Weakness and six (6) Control Findings.



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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.

