



# INTERNAL AUDIT DEPARTMENT



**Internal Control Audit:  
OC Community Resources/OC Animal Care  
Cash Receipts**

**For the Year Ended November 30, 2018**

**Audit No. 1815  
Report Date: September 30, 2019**

### Number of Recommendations

0

**Critical Control  
Weaknesses**

0

**Significant Control  
Weaknesses**

7

**Control Findings**

## 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

Internal Control Audit:  
OC Community Resources/OC Animal Care Cash Receipts

September 30, 2019

## AUDIT HIGHLIGHTS

SCOPE OF WORK	Perform an Internal Control Audit of OC Community Resources/OC Animal Care's (OCAC) cash receipts process for the year ended November 30, 2018.						
RESULTS	<ul style="list-style-type: none"> <li>We concluded that OCAC's internal control over the cash receipts process is generally effective to ensure cash receipts are properly collected, recorded, deposited, and safeguarded.</li> <li>We concluded that the cash receipts process is generally efficient.</li> </ul>						
RISKS IDENTIFIED	<p>As a result of our findings, potential risks include:</p> <ul style="list-style-type: none"> <li>Unauthorized access or changes to the point-of-sale (POS) system.</li> <li>Theft, misplacement, or misappropriation of handwritten cash receipt forms.</li> <li>Theft of cash assets.</li> <li>Inconsistent procedures if the POS system shuts down.</li> <li>Undetected errors and/or unauthorized activities.</li> <li>Lack of accountability and an inadequate audit trail.</li> <li>Unauthorized access to Personally Identifiable Information.</li> </ul>						
<p>NUMBER OF RECOMMENDATIONS</p> <table border="1" data-bbox="99 1409 391 1703"> <tr> <td data-bbox="99 1409 201 1507">0</td> <td data-bbox="201 1409 391 1507">CRITICAL CONTROL WEAKNESSES</td> </tr> <tr> <td data-bbox="99 1507 201 1606">0</td> <td data-bbox="201 1507 391 1606">SIGNIFICANT CONTROL WEAKNESS</td> </tr> <tr> <td data-bbox="99 1606 201 1703">7</td> <td data-bbox="201 1606 391 1703">CONTROL FINDINGS</td> </tr> </table>	0	CRITICAL CONTROL WEAKNESSES	0	SIGNIFICANT CONTROL WEAKNESS	7	CONTROL FINDINGS	<p>Opportunities for enhancing internal control include:</p> <ul style="list-style-type: none"> <li>Performing a formal user-access certification review.</li> <li>Enhancing system password policy configuration.</li> <li>Appointing a custodian and conducting inventories of cash receipt books.</li> <li>Updating written policy and procedures for inventory of cash receipt books.</li> <li>Maintaining documentation of safe combination holders and combination changes.</li> <li>Changing the safe combination periodically or when an employee leaves.</li> <li>Establishing a written business continuity plan.</li> <li>Documenting daily supervisory review of Journal Entry Reports.</li> <li>Posting advisory signage for customers to request a receipt for payment.</li> </ul>
0	CRITICAL CONTROL WEAKNESSES						
0	SIGNIFICANT CONTROL WEAKNESS						
7	CONTROL FINDINGS						

Report suspected fraud, or misuse of County resources by vendors, contractors, or County employees to 714.834.3608



# INTERNAL AUDIT DEPARTMENT

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Audit No. 1815

September 30, 2019

To: Dylan Wright, Director  
OC Community Resources

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

Subject: Internal Control Audit: OC Community Resources/OC Animal Care Cash Receipts

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At your department's request, we have completed an Internal Control Audit of OC Community Resources/OC Animal Care's (OCAC) cash receipts process for the year ended November 30, 2018. Details of our results and recommendations immediately follow this letter. Additional information including background and our objectives, scope, and methodology are included in Appendix A.

OCAC concurred with six of our recommendations and partially concurred with one recommendation; see auditor comment following Recommendation No. 6. Nevertheless, the Internal Audit Department considers management's response appropriate to the recommendations in this report.

We will include the results of this audit in a future status report submitted quarterly to the Audit Oversight Committee (AOC) and the Board of Supervisors (Board). In addition, we will request your department complete a Customer Survey of Audit Services, which you will receive shortly after the distribution of our final report.

We appreciate the courtesy extended to us by OC Community Resources personnel during our audit. If you have any questions regarding our audit, 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
- CEO Distribution
- OC Community Resources Distribution
- Auditor-Controller Satellite Accounting Operations Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor

## INTERNAL AUDIT DEPARTMENT

## RESULTS

BUSINESS PROCESS  
& INTERNAL  
CONTROL  
STRENGTHS

Business process and internal control strengths noted during our audit include:

- ✓ Cash receipt transactions are processed via an electronic point-of-sale (POS) system that automatically calculates fees and records sales information.
- ✓ Each cashier has their own cash box, which is secured in a locked drawer with an individually-assigned key.
- ✓ Total Change Funds are verified by OCAC supervisors at the beginning of every shift and reconciled to the previous day's "Closing" amounts on the Cash Box Closing Report.
- ✓ At closing, the OCAC supervisor verifies each cashier's cash receipts total and reconciles the total to the cashier's POS system's generated *Cash Box Closing* report. The report is signed and dated by the cashier and supervisor.
- ✓ OCAC personnel submit their cash receipts and daily deposit supporting documents in closed bags via a secured drop box accessible only by the Accounting unit.
- ✓ At opening, the Accounting unit picks up the secured drop box contents and reconciles cash receipt totals to the POS system's generated *Cash Box Closing Report for Accounting Unit*. Accounting then prepares a Cash Receipt (CR) document to record the daily Animal Care fee collection revenue in CAPS+.
- ✓ Accounting prepares a bank deposit slip and agrees totals to the deposit bag. Cash and checks are deposited in separate sealed deposit bags. All deposits are picked up via armored transport service.
- ✓ Cash is stored in a secure manner and accessible only by authorized personnel.
- ✓ A written record of safe combination and key holders is maintained for the Accounting unit's safe.
- ✓ Security cameras are installed above each cashier station.
- ✓ Cashiers use counterfeit detector pens to verify \$50 and \$100 bills.



## INTERNAL AUDIT DEPARTMENT

<b>FINDING NO. 1</b>	<p><b>Point-of-Sale System User &amp; Account Management</b></p> <p>During a process walk-through, we identified the following instances of inappropriate system access to the POS system:</p> <ul style="list-style-type: none"> <li>• Seven users with active access no longer required access.</li> <li>• One user is assigned to an inactive user group.</li> <li>• All users have access to certain Personal Identifiable Information (PII) regardless of business need.</li> </ul> <p>OCAC uses a comprehensive POS solution, designed for animal sheltering organizations, to process cash receipt transactions. User access to the POS system requires a unique user ID and password. The level of access rights to this system is restricted by a unique user group role assigned to the user ID.</p> <p>All users are given default rights, which grant the ability to create, modify, and view customer accounts that can contain PII. Additionally, we identified two user groups that are not utilized by OCAC.</p> <p>Although any active POS system user, including employees who do not have cashiering duties, can create a cash receipt transaction, cash activity is strictly monitored by the Accounting unit as a mitigating control.</p>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RISK</b>	Given the heightened risks associated with cybersecurity, not disabling inactive accounts increases the risk of unauthorized access and/or fraudulent manipulation of data. Excessive user permissions without a business need could result in unauthorized access to PII.
<b>RECOMMENDATION</b>	<p>OCAC perform a formal management user-access certification review for appropriateness to ensure:</p> <ul style="list-style-type: none"> <li>A. Access is restricted to individuals with a direct business need and access is disabled when no longer required.</li> <li>B. Users are not assigned to inactive user groups.</li> <li>C. User group rights are restricted to direct business need.</li> </ul>
<b>MANAGEMENT RESPONSE</b>	<p><b>Concur.</b> OC Animal Care concurs with the recommendation as written. OC Animal Care is in the process of auditing users and access levels to [REDACTED]. We will incorporate the recommendations into a formal Policy &amp; Procedures (P&amp;P) to include detailed rights and access levels for each user group. We anticipate the new policy and procedure will be completed and implemented by January 2020. We will ensure the proper user group assignment at employee onboarding as well as prompt user deactivation upon separation from OC Animal Care.</p>



## INTERNAL AUDIT DEPARTMENT

<b>FINDING NO. 2</b>	<b>Password Configuration Policy for POS System</b>
	The POS system does not have robust password configuration controls such as minimum password length, password complexity (e.g., alpha, numeric, length, and special character requirements), and periodic password expiry.
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RISK</b>	Inadequate password policy configurations increases the risk of unauthorized access.
<b>RECOMMENDATION</b>	OCAC implement or enable password policy features in the POS system to conform to the County's password policy, where technically feasible, and seek a feature that requires automated, mandatory password changes in any future upgrade or replacement of the POS system.
<b>MANAGEMENT RESPONSE</b>	<b>Concur.</b> OC Animal Care concurs with the recommendation as written. However, due to current POS system software constraints, OC Animal Care shall require staff to manually update their [REDACTED] password every 90 days. OC Animal Care shall submit a request to the software vendor ([REDACTED]) to include an automated password change in future updates to [REDACTED] software.

<b>FINDING NO. 3</b>	<b>Handwritten Cash Receipt Books</b>
	A cash receipt books custodian has not been appointed. Consequently, an inventory of handwritten cash receipt books was not performed.
	Based on a review of cash receipt books logs, we noted two receipt books were issued to field officers in 2012 and have not been returned. These missing receipt books were not detected because an inventory was not been performed.
	OCAC has an internally-developed (P&P), <i>Inventory of Cash Receipt Books</i> (P&P No. 200.24), which dictates the duties of an appointed custodian and responsibility of Accounting staff to perform a documented, monthly review of cash receipt books. We determined that this P&P is outdated (last revised in 2007) and is not followed.
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RISK</b>	Inadequate safeguarding or monitoring of cash receipt forms increases the risk of theft, misplacement, or misappropriation.





## INTERNAL AUDIT DEPARTMENT

<b>RECOMMENDATION</b>	OCAC should: <ul style="list-style-type: none"> <li>A. Appoint a cash receipt books custodian.</li> <li>B. Conduct documented, independent inventories of handwritten cash receipt books.</li> <li>C. Update their policy and procedures regarding inventory of cash receipt books.</li> </ul>
<b>MANAGEMENT RESPONSE</b>	<b>Concur.</b> OC Animal Care concurs with the recommendation as written. We will appoint a custodian and update OC Animal Care Policy and Procedure 200.24 to reflect the changes above.

<b>FINDING NO. 4</b>	<p><b>Written Record of Safe Combination Holders and Changes</b></p> <p>Written record of combination holders or changes to the combination for OCAC's customer service safe is not maintained.</p> <p>Cash assets, such as change funds and starting cash for weekends and holidays, are kept in a locked safe accessible only by authorized staff. OCAC has two safes and a written record of safe combination holders and changes is maintained for one, but not the other.</p> <p>Additionally, we noted that the Customer Service safe combination was last changed in 2015.</p>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RISK</b>	Failure to maintain documentation of combination holders or changes to the combination increases the risk of theft.
<b>RECOMMENDATION</b>	OCAC should: <ul style="list-style-type: none"> <li>A. Maintain written documentation of safe combination holders and combination changes.</li> <li>B. Change the safe combination periodically or when an employee leaves/terminates.</li> </ul>
<b>MANAGEMENT RESPONSE</b>	<b>Concur.</b> OC Animal Care concurs with the recommendation as written. OC Animal Care shall maintain written documentation of the safe combination holders in the Customer Service Manager's office. Additionally, the combination shall be changed at least every 6 months or when a combination holder leaves OC Animal Care. Both the documentation of the combination holders as well as the combination changes shall be added to OC Animal Care's Cash Handling P&P (500.50).



## INTERNAL AUDIT DEPARTMENT

<b>FINDING NO. 5</b>	<b>Business Continuity Plan</b>  OCAC has a process in place to collect cash receipts in the event the POS system becomes inoperable, but has not established a written P&P.  In the event the POS system is not operable, manual receipts would be issued for certain payments only, such as license fees. Adoptions would not be issued because there is pertinent information in POS system that is needed to process an animal adoption.
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RISK</b>	Not having a formal written business continuity plan could result in inconsistent procedures being followed in the event the POS system becomes inoperable.
<b>RECOMMENDATION</b>	OCAC establish a written policy and procedure detailing a business continuity plan in the event the POS system becomes inoperable.
<b>MANAGEMENT RESPONSE</b>	<b>Concur.</b> OC Animal Care concurs with this recommendation and shall create a written Policy and Procedure to be completed and implemented by January 2020.

<b>FINDING NO. 6</b>	<b>Supervisory Review of Sales Voids</b>  Supervisors review voided transactions on a monthly basis via the POS system's generated <i>Journal Entry</i> report. This review is not documented.  Staff using the POS system have the ability to void sales transactions without supervisory approval using the Journal Entry function. However, staff must create and attach a memo for every journal entry to the Journal Entry Receipt. The memo includes the date, original receipt number, reason for the journal entry, animal ID, and the employee's initials.
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RISK</b>	Increased risk of undetected and/or unauthorized activities. This also results in a lack of accountability and an inadequate audit trail.





## INTERNAL AUDIT DEPARTMENT

<b>RECOMMENDATION</b>	OCAC supervisors should:  A. Review voided transactions on a daily basis.  B. Document their review of the Journal Entry Reports by initialing and dating.								
<b>MANAGEMENT RESPONSE</b>	<b>Partially Concur.</b> OC Animal Care partially concurs with the recommendation. Due to staffing levels, daily supervisory reviews of all voided transactions are currently not feasible. Supervisors in each of the three departments (Customer Services, Shelter Services and Field Services) which create receipts, shall conduct a weekly review of the voided transactions. The supervisory review shall be recorded in a logbook located in each of the three departments. This process shall be added to OC Animal Care P&P 500.02, titled "Voiding a Sale".								
<b>AUDITOR COMMENT</b>	OCAC's response satisfies the intent of our recommendation. Supervisory approval should be obtained for all voided transactions.								
<b>FINDING NO. 7</b>	<b>Posted Sign for Customer Receipt of Payment</b>  There was no sign posted to inform customers to request a receipt for payments.  OCAC had a customer receipt sign in their old location, but have not posted one since their transition to the new location in 2018.								
<b>CATEGORY</b>	<b>Control Finding</b>								
<b>RISK</b>	Failure to provide receipt of transactions to customers could result in misappropriation of assets via unrecorded sales transactions.								
<b>RECOMMENDATION</b>	OCAC post a sign near the cashiering areas to inform customers that they should request a receipt for all payments.								
<b>MANAGEMENT RESPONSE</b>	<b>Concur.</b> OC Animal Care concurs with the recommendation. OC Animal Care will be ordering permanent signage to display in all cash handling areas. Temporary signage has been posted until permanent signage is delivered.								
<b>AUDIT TEAM</b>	<table border="0"> <tr> <td>Scott Suzuki, CPA, CIA, CISA</td> <td>Assistant Director</td> </tr> <tr> <td>Michael Dean, CPA, CIA, CISA</td> <td>Senior Audit Manager</td> </tr> <tr> <td>Gianne Acosta, CIA</td> <td>Audit Manager</td> </tr> <tr> <td>Stephany Pantigoso</td> <td>Senior Auditor</td> </tr> </table>	Scott Suzuki, CPA, CIA, CISA	Assistant Director	Michael Dean, CPA, CIA, CISA	Senior Audit Manager	Gianne Acosta, CIA	Audit Manager	Stephany Pantigoso	Senior Auditor
Scott Suzuki, CPA, CIA, CISA	Assistant Director								
Michael Dean, CPA, CIA, CISA	Senior Audit Manager								
Gianne Acosta, CIA	Audit Manager								
Stephany Pantigoso	Senior Auditor								



## INTERNAL AUDIT DEPARTMENT

## APPENDIX A: ADDITIONAL INFORMATION

<b>OBJECTIVES</b>	<p>Our audit objectives were to:</p> <ol style="list-style-type: none"> <li>1. Evaluate the effectiveness of internal control over the cash receipts process to ensure cash receipts are properly collected, recorded, deposited, and safeguarded.</li> <li>2. Review the cash receipts process for efficiency.</li> </ol>
<b>SCOPE &amp; METHODOLOGY</b>	<p>Our audit scope was limited to internal control over OC Animal Care's (OCAC) cash receipts process for the year ended November 30, 2018. Our methodology included inquiry, observation, examination of relevant documentation, and testing of transactions.</p>
<b>EXCLUSIONS</b>	<p>Our audit scope did not include a review of the accounts receivable process. Additionally, we did not review IT general controls or perform a comprehensive review of application controls over OCAC's information systems used to process cash receipts (i.e., the OCAC POS system) or receive payments on-line.</p>
<b>PRIOR AUDIT COVERAGE</b>	<p>An audit with similar scope, Cash Compliance Audit: OC Community Resources/OC Animal Care for FY 2015-16, Audit No. 1578, was issued on June 8, 2016.</p>
<b>BACKGROUND</b>	<p>OCAC's mission is to protect the public against health threats, provide refuge, medical care, and a second chance to unwanted and abused pets, and protect animals' rights of humane treatment.</p> <p>OCAC operates under the OC Community Resources Department. OCAC is an open-admission animal shelter that provides services to 13 contract cities and all unincorporated areas of the County.</p> <p>OCAC uses a POS system to manage cash receipts transactions. Cash receipt types include:</p> <ul style="list-style-type: none"> <li>• Inhouse (IH) – payments received on-site at the animal shelter.</li> <li>• Lockbox (LB) – payments sent to OCAC's PO BOX managed and deposited by the Treasurer-Tax Collector.</li> <li>• Weblink (WL) – payments received from online licenses.</li> </ul> <p>During the audit period, total cash receipts for OCAC were approximately <b>\$6.6 million</b>.</p> <p>Cash receipts accounting services are provided by the OCAC Accounting unit, staffed by the Auditor-Controller.</p>



## INTERNAL AUDIT DEPARTMENT

<b>PURPOSE &amp; AUTHORITY</b>	We performed this audit in accordance with the Annual Risk Assessment & Audit Plan for FY 2018-19 approved by the Audit Oversight Committee (AOC) and Board of Supervisors (Board).
<b>PROFESSIONAL STANDARDS</b>	Our audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing issued by the International Internal Audit Standards Board.
<b>FOLLOW-UP PROCESS</b>	<p>In accordance with professional standards, the Internal Audit Department has a process to follow-up on its recommendations. A first follow-up audit will generally begin six months after release of the initial report.</p> <p>The AOC and Board expect that audit recommendations will typically be implemented within six months or sooner for significant and higher risk issues. A second follow-up audit will generally begin six months after release of the first follow-up audit report, by which time all audit recommendations are expected to be implemented. Any audit recommendations not implemented after the second follow-up audit will be brought to the attention of the AOC at its next scheduled meeting.</p> <p>A Follow-Up Audit Report Form is attached and is required to be returned to the Internal Audit Department approximately six months from the date of this report in order to facilitate the follow-up audit process.</p>
<b>MANAGEMENT'S RESPONSIBILITY FOR INTERNAL CONTROL</b>	In accordance with the Auditor-Controller's County Accounting Manual Section S-2 Internal Control Systems: "All County departments/agencies shall maintain effective internal control systems as an integral part of their management practices. This is because management has primary responsibility for establishing and maintaining the internal control system. All levels of management must be involved in assessing and strengthening internal controls." Control systems shall be continuously evaluated by Management and weaknesses, when detected, must be promptly corrected. The criteria for evaluating internal controls is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework. Our Internal Control Audit enhances and complements, but does not substitute for department management's continuing emphasis on control activities and monitoring of control risks.
<b>INTERNAL CONTROL LIMITATIONS</b>	Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Specific examples of limitations include, but are not limited to: resource constraints, unintentional errors, management override, circumvention by collusion, and poor judgment. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate. Accordingly, our audit would not necessarily disclose all weaknesses in the department's operating procedures, accounting practices, and compliance with County policy.



## INTERNAL AUDIT DEPARTMENT

## APPENDIX B: REPORT ITEM CLASSIFICATIONS

Critical Control Weaknesses	Significant Control Weaknesses	Control Findings
<p>These are audit findings or a combination of audit findings that represent critical exceptions to the audit objective(s) and/or business goals. Such conditions may involve either actual or potential large dollar errors or be of such a nature as to compromise the department's or County's reputation for integrity. Management is expected to address <b>Critical Control Weaknesses</b> brought to its attention immediately.</p>	<p>These are audit findings or a combination of audit findings that represent a significant deficiency in the design or operation of internal controls. <b>Significant Control Weaknesses</b> require prompt corrective actions.</p>	<p>These are audit findings concerning the effectiveness of internal control, compliance issues, or efficiency issues that require management's corrective action to implement or enhance processes and internal control. <b>Control Findings</b> are expected to be addressed within our follow-up process of six months, but no later than twelve months.</p>



## INTERNAL AUDIT DEPARTMENT

## APPENDIX C: OC COMMUNITY RESOURCES MANAGEMENT RESPONSE



DYLAN WRIGHT  
DIRECTOR  
OC COMMUNITY RESOURCES

CYMANTHA ATKINSON  
DEPUTY DIRECTOR  
OC COMMUNITY RESOURCES

ROGER UMINSKI II  
DIRECTOR  
ADMINISTRATIVE SERVICES

MIKE KAVIANI  
DIRECTOR  
OC ANIMAL CARE

SHANNON LEGERE  
DIRECTOR  
OC HOUSING & HOMELESS SERVICES

RENEE RAMIREZ  
DIRECTOR  
OC COMMUNITY SERVICES

STACY BLACKWOOD  
DIRECTOR  
OC PARKS

SHERRY TOTH  
ACTING COUNTY LIBRARIAN  
OC PUBLIC LIBRARIES

OFFICE OF THE DIRECTOR  
COUNTY ADMINISTRATION SOUTH  
601 N. ROSS STREET, 6<sup>TH</sup> FLOOR  
SANTA ANA, CA 92701  
PHONE: 714.480.2788  
FAX: 714.480.2899  
FAX: 714.480.2899



September 17, 2019

Aggie Alonso, CPA, Director  
Internal Audit Department

Dear Mr. Alonso

**RE: INTERNAL AUDIT REPORT NO. 1815**

On June 28, 2019, OC Community Resources (OCCR) received a copy of the Internal Audit Department's draft report for Audit No 1815 (Audit). Please find OCCR's response to the audit finding and recommendation, which has been reviewed and approved by the County Executive Office.

**Finding No. 1.: Point-of-Sale (POS) System User & Account Management (Control Finding)**

**Recommendation:**

We recommend OCCR perform a formal management user-access certification review for appropriateness to ensure:

- Access is restricted to individuals with a direct business need and access no longer required is disabled.
- Users are not assigned to inactive user groups.
- User group rights are restricted to direct business need.

**OCCR Management Response:**

OC Animal Care concurs with the recommendation as written. OC Animal Care is in the process of auditing users and access levels to [REDACTED]. We will incorporate the recommendations from Auditor Controller into a formal Policy & Procedures (P&P) to include detailed rights and access levels for each user group. We anticipate the new policy and procedure will be completed and implemented by January 2020. We will ensure the proper user group assignment at employee onboarding as well as prompt user deactivation upon separation from OC Animal Care.

**Finding No. 2: Password Configuration Policy for POS System (Control Finding)**

**Recommendation:**

We recommend OCCR implement or enable password policy features in the POS system so that it conforms to the County's password policy, where technically feasible, and seek a feature that requires automated mandatory password changes in any future upgrade or replacement of the POS system.

**OCCR Management Response:**

OC Animal Care concurs with the recommendation as written. However, due to current POS system software constraints, OC Animal Care shall require staff to manually update their [REDACTED] password every 90 days. OC Animal Care





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RESPONSE TO AUDIT 1815  
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shall submit a request to the software vendor ([REDACTED]) to include an automated password change in future updates to [REDACTED] software.

**Finding No. 3.: Handwritten Cash Receipt Books (Control Finding)**

**Recommendation:**

We recommend that OCCR should:

- Appoint a receipt books custodian.
- Conduct documented, independent inventories of handwritten cash receipt books.
- Update their policy and procedures regarding inventory of cash receipt books.

**OCCR Management Response:**

OC Animal Care concurs with the recommendation as written. We will appoint a custodian and update OC Animal Care Policy and Procedure 200.24 to reflect the changes above.

**Finding No. 4.: Written Record of Safe Combination Holders and Changes (Control Finding)**

**Recommendation:**

We recommend that OCCR should:

- Maintain written documentation of safe combination holders and combination changes.
- Change the safe combination periodically or when an employee leaves/terminates.

**OCCR Management Response:**

OC Animal Care concurs with the recommendation as written. OC Animal Care shall maintain written documentation of the safe combination holders in the Customer Service Manager's office. Additionally, the combination shall be changed at least every 6 months or when a combination holder leaves OC Animal Care. Both the documentation of the combination holders as well as the combination changes shall be added to OC Animal Care's Cash Handling P&P (500.50).

**Finding No. 5.: Business Continuity Plan (Control Finding)**

**Recommendation:**

We recommend that OCCR establish a written policy and procedure detailing a business continuity plan in the event the POS system becomes inoperable.

**OCCR Management Response:**

OC Animal Care concurs with this recommendation and shall create a written Policy and Procedure to be completed and implemented by January 2020.

**Finding No. 6.: Supervisory Review of Sales Voids (Control Finding)**

**Recommendation:**

We recommend that OCCR should:

- Review voided transactions on a daily basis.
- Document their review of the Journal Entry Reports by initialing and dating.

**OCCR Management Response:**

OC Animal Care partially concurs with the recommendation. Due to staffing levels, daily supervisory reviews of all voided transactions are currently not feasible. Supervisors in each of the three departments (Customer Services, Shelter Services and Field Services) which create receipts, shall conduct a weekly review of the voided transactions. The supervisory review shall be recorded in a logbook located in each of the three departments. This process shall be added to OC Animal Care P&P 500.02, titled "Voiding a Sale".





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RESPONSE TO AUDIT 1815  
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SEPTEMBER 17, 2019

**Finding No. 7.: Posted Sign for Customer Receipt of Payment (Control Finding)**

**Recommendation:**

We recommend that OCCR post a sign near the cashiering areas to inform customers that they should request a receipt for all payments.

**OCCR Management Response:**

OC Animal Care concurs with the recommendation. OC Animal Care will be ordering permanent signage to display in all cash handling areas. Temporary signage has been posted until permanent signage is delivered.

If you have any questions related to this response, please contact my office at 714-480-2788 or Jeff Kirkpatrick, Compliance & Custodian of Records at 714-480-2849.

Sincerely,

  
\_\_\_\_\_  
Dylan Wright, Director  
OC Community Resources

9/10/19  
\_\_\_\_\_  
Date

