



INTERNAL AUDIT DEPARTMENT



Internal Control Audit: Sheriff-Coroner Revolving Funds

For the Year Ended September 30, 2019

Audit No. 1917

Report Date: October 23, 2020

Number of Recommendations

0

Critical Control
Weaknesses

1

Significant Control
Weaknesses

5

Control Findings

OC Board of Supervisors

CHAIRWOMAN MICHELLE STEEL
2nd DISTRICT

VICE CHAIRMAN ANDREW DO
1st DISTRICT

SUPERVISOR DONALD P. WAGNER
3rd DISTRICT

SUPERVISOR DOUG CHAFFEE
4th DISTRICT

SUPERVISOR LISA A. BARTLETT
5th DISTRICT



INTERNAL AUDIT DEPARTMENT

Internal Control Audit:
Sheriff-Coroner Revolving Funds

October 23, 2020

AUDIT HIGHLIGHTS

SCOPE OF WORK	Perform an Internal Control Audit of Sheriff-Coroner (OCSD) revolving funds process for the year ended September 30, 2019.
RESULTS	<ul style="list-style-type: none"> We concluded OCSD's internal control over the revolving funds process was generally effective to ensure: <ul style="list-style-type: none"> Revolving fund transactions are complete (recorded/reported), accurate, valid (authorized), processed timely, and in compliance with County policy. Duties are adequately segregated, and assets adequately safeguarded. We concluded the revolving funds process is generally efficient.
RISKS IDENTIFIED	<p>As a result of our findings, potential risks include:</p> <ul style="list-style-type: none"> Undetected fund misappropriations, errors, discrepancies, or irregularities. Unauthorized access to data. Overpayment of travel cash advance reimbursements. Time-consuming correction process due to persistent claim form errors. Duplication of payment to employees and diminished audit trail.
NUMBER OF RECOMMENDATIONS	Opportunities for enhancing internal control include:
0 CRITICAL CONTROL WEAKNESSES	<ul style="list-style-type: none"> Performing reconciliation procedures in compliance with County policy. Formalizing and performing a user-access certification review for the in-house system.
1 SIGNIFICANT CONTROL WEAKNESSES	<ul style="list-style-type: none"> Ensuring revolving fund duties are adequately segregated. Working with the Auditor-Controller to develop an alternative procedure for receiving cash advance repayments.
5 CONTROL FINDINGS	<ul style="list-style-type: none"> Submitting timely Mileage & Other Expense claim forms and providing additional training to staff. Limiting one employee per cash advance and claim form. Considering the use of Cal-Cards for employee travel expenses, where feasible.

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



INTERNAL AUDIT DEPARTMENT

Audit No. 1917

October 23, 2020

To: Don Barnes
Sheriff-Coroner

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

Subject: Internal Control Audit: Sheriff-Coroner Revolving Funds

We have completed an Internal Control Audit of Sheriff-Coroner (OCSD) Revolving Funds process for the year ended September 30, 2019. 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.

OCSD concurred with all our recommendations and the Internal Audit Department considers OCSD's management 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 and the Board of Supervisors. 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 OCSD's 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
- Sheriff-Coroner Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor

RESULTS

BUSINESS PROCESS & INTERNAL CONTROL STRENGTHS

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

- ✓ Documented internal policy and procedures regarding travel are established.
- ✓ Independent surprise cash counts and internal control reviews are performed periodically.
- ✓ Cash advances are requested, approved, and tracked in the online OC Expeditor application. Any outstanding cash advances are closed out prior to allowing new requests.
- ✓ Check stock is secured in a locked safe, and documentation of safe combination changes is retained.
- ✓ Every expenditure includes voucher support and authorization prior to disbursement of funds.

FINDING NO. 1

Reconciliations

There are issues with OCSD fund and bank reconciliations including discrepancies, long outstanding checks, and improper supervisory review.

During our review of select reconciliations, we noted the following issues:

- Certain balances were not properly supported on the bank reconciliations. Upon Internal Audit inquiry, OCSD discovered errors in the reconciliations. OCSD management has since reviewed prior reconciliations (dating back to 2017) to identify discrepancies and revised bank reconciliations with proper and supported balances.
- There are 19 long outstanding checks totaling \$3,283. The checks have been outstanding as of the end of the audit period for an average of approximately two years. In addition, six of those checks are no longer listed in the account ledger, but remain on the bank statement, which is causing an understatement of outstanding checks on the reconciliation. OCSD management stated they are currently working to clear long outstanding items, including resolving the old checks captured on the bank statements that have dropped off from their internal ledger.
- The reviewer did not date the reconciliation upon review for four of six (two fund and two bank) reconciliations tested.

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CATEGORY	Significant Control Weakness
RISK	Misappropriation of funds, errors, discrepancies, or irregularities may not be detected in a timely manner. In addition, long outstanding checks can hold up funds and make reconciliation preparation more time-consuming.
RECOMMENDATION	<p>OCSD management:</p> <ul style="list-style-type: none"> A. Perform a thorough supervisory review to ensure reconciliations are properly prepared and adequately supported. B. Ensure outstanding reconciling items are identified, investigated, and resolved timely. C. Ensure reconciliations are signed and dated by both the preparer and reviewer.
MANAGEMENT RESPONSE	<p>Concur.</p> <ul style="list-style-type: none"> A. OCSD Financial/Administrative Services management has implemented a three-level review process including the Accounting Office Supervisor II, the Administrative Manager I and the Administrative Manager II. The fund and bank reconciliations through June 2020 have been reviewed. Future reconciliations will be completed and reviewed within 60 days of month end to ensure they are properly prepared and adequately supported. B. The reconciliation process has been enhanced and includes detailed schedules for outstanding checks and reconciling items that are reviewed and cleared timely. C. OCSD Financial/Administrative Services management revised the reconciliation format and it now includes lines for preparer and reviewer signatures and the date signed.

FINDING No. 2	<p>Revolving Fund Accounting System Access</p> <p>The process to administer access to the revolving fund system was informal, and there was no monitoring of access.</p> <p>OCSD uses an internally developed system to process revolving fund transactions and is the system of record for reconciliations. System access is linked to the user's computer login credentials and is granted based on an e-mail request from a supervisor/manager to IT administrators. There is no formal process to grant or remove user access or conduct periodic reviews of access appropriateness.</p>
CATEGORY	Control Finding



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RISK	Unauthorized access to data and increased risk of irregular transactions.
RECOMMENDATION	OCSD management formalize the process for granting and removing access and perform periodic user-access certification reviews for appropriateness.
MANAGEMENT RESPONSE	Concur. OCSD Financial/Administrative Services management will review system user access on a quarterly basis to ensure only current employees have access and user levels are appropriate. This review process began in July 2020.

FINDING No. 3	Segregation of Duties Duties were not appropriately segregated amongst people involved in the revolving funds process. We noted the following instances in which duties were not adequately segregated: <ul style="list-style-type: none">• The replenishment support packet approver was also a check signer for four of six replenishment requests tested.• The bank reconciliation was prepared by the fund custodian for one of four reconciliations tested.• The preparer and reviewer of fund reconciliations were also check signers or voucher approvers for both reconciliations tested.
CATEGORY	Control Finding
RISK	Inadequate segregation of duties increases the risk of misappropriation of funds.
RECOMMENDATION	OCSD management ensure revolving fund duties are adequately segregated.
MANAGEMENT RESPONSE	Concur. OCSD Financial/Administrative Services management created an Authorized Signer's matrix that reflects reviewers and approvers to ensure adequate segregation of duties is maintained. The matrix was finalized in July 2020 and will be reviewed and updated on a quarterly basis.



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FINDING No. 4	Cash Repayments <p>Cash was accepted from employees reimbursing the revolving fund which is prohibited by County policy.</p> <p>We noted four instances in which the fund custodian accepted cash repayments totaling \$444 from employees for the unused portion of travel advances.</p> <p>This issue was noted in Audit No. 1056 Special Request Audit: Countywide Audit of Employee Cash Advances, issued January 27, 2012. During the first follow-up audit, OCSD informed us that the Auditor-Controller would allow cash for repayments of unused cash advances. However, current County policy requires repayments in the form of a personal check.</p>
CATEGORY	Control Finding
RISK	Increased risk of misappropriation of County funds.
RECOMMENDATION	OCSD management work with the Auditor-Controller to develop an alternative procedure when receiving cash advance repayments.
MANAGEMENT RESPONSE	Concur. OCSD Financial/Administrative Services management has reached out to the Auditor-Controller and they are researching options for receiving cash advance repayments. The Auditor-Controller is in the process of reviewing and updating policies, however, a timeframe for the applicable policy was not provided.



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FINDING No. 5	Mileage & Other Expenses Claim Form <p>Mileage & Other Expense claim forms (MOE) were not properly completed or submitted within required timeframes.</p> <p>Employees submit MOEs to substantiate expenses from travel cash advances issued out of the revolving fund. These forms are then submitted to Auditor-Controller (A-C) as support documentation for fund replenishment requests. We noted the following issues related to the 20 MOEs selected for review:</p> <ul style="list-style-type: none">• Three where meals were provided at the business conference, but not properly deducted from the per diem, and supervisory review did not detect the error.• Three were not submitted to the fund custodian within five working days after the completion of the event for which the advance was made. In addition, a submission date could not be determined for one claim due to improper documentation.• All 20 contained errors and/or missing information that resulted in a need for OCSD Financial staff to make manual corrections.
CATEGORY	Control Finding
RISK	Overpayment of travel cash reimbursements could occur. Untimely claim form submissions tie up funds and increase the risk of undetected errors and/or irregularities. Persistent error corrections are time consuming and diminishes the audit trail.
RECOMMENDATION	OCSD management: <ul style="list-style-type: none">A. Ensure supervisory reviews identify necessary expense deductions from the per diem rate.B. Ensure Mileage & Other Expenses claim forms are submitted to the fund custodian within five working days after the completion of the event for which a cash advance was made.C. Provide additional training to employees to ensure claim forms are submitted accurately.



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MANAGEMENT RESPONSE	<p>Concur.</p> <p>A. OCSD Travel Coordinators will review Mileage and Other Expense claim forms in detail to ensure applicable expenses are deducted from the per diem rate.</p> <p>B. OCSD Travel Coordinators will follow up with employees that have not submitted a Mileage & Other Expenses Claim form within five working days of travel completion.</p> <p>C. OCSD Financial/Administrative Services management updated instructions for completing Mileage and Other Expense claim forms that are included in Cash Advance packets. The updated instructions will also be posted on the Department's Intranet by December 2020.</p>
FINDING NO. 6	<p>Cash Advance Claims & Reimbursements</p> <p>Cash advances were issued and claims were submitted to cover multiple employees. We noted the following procedures in which a cash advance claim and/or reimbursement was not limited to one employee:</p> <ul style="list-style-type: none"> For extraditions and prisoner transportation, where two employees often travel to the same place, a cash advance is issued to one employee to cover expenses for both employees. In addition, one MOE form is submitted on behalf of both employees. Per OCSD, this process was in place due to State reimbursement claim requirements and has since been revised to limit one cash advance and one claim per employee. For Community Programs where the unit manager is responsible for paying employees' travel arrangements (such as registration and lodging), the employee is issued a cash advance to cover the meals per diem. After the event, the employee submits an MOE form that includes the manager's portion of expenses. Upon reimbursement, the employee remits personal funds to the manager for repayment of the manager's expenses. The manager does not submit an MOE for their expenses incurred.
CATEGORY	Control Finding
RISK	Diminished audit trail and increased risk of duplicate claims.
RECOMMENDATION	<p>OCSD management:</p> <p>A. Limit one cash advance and claim form per employee.</p> <p>B. Consider using Cal-Cards for employee travel expenses, where feasible.</p>



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MANAGEMENT RESPONSE	Concur. A. As of January 2020, Cash Advances for extraditions and prisoner transport are issued to each employee. B. Community Programs was notified in June 2020 that each employee will need to submit an Expediter request for travel. Applicable costs will be paid with the Travel card.
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AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA, CFE Michael Dean, CPA, CIA, CISA Gianne Morgan, CIA Alejandra Hernandez	Assistant Director Senior Audit Manager Audit Manager Senior Auditor
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APPENDIX A: ADDITIONAL INFORMATION

OBJECTIVES	<p>Our audit objectives were to:</p> <ol style="list-style-type: none"> 1. Evaluate the effectiveness of internal control over the revolving funds process to ensure: <ol style="list-style-type: none"> a. Revolving fund transactions are complete (recorded/ reported), accurate, valid (authorized), processed timely, and in compliance with County policy. b. Duties are adequately segregated and assets are adequately safeguarded. 2. Review the revolving funds process for efficiency.
SCOPE & METHODOLOGY	<p>Our audit scope was limited to internal control over OCSD's revolving funds process for the year ended September 30, 2019. Our methodology included inquiry, observation, and examination of documentation.</p>
EXCLUSIONS	<p>Our audit scope did not include a review of the Special Appropriations Fund (authorized by Government Code Section 29436).</p>
PRIOR AUDIT COVERAGE	<p>An audit with similar scope, Special Request Audit: Countywide Audit of Employee Cash Advances, Audit No. 1056, was issued on January 27, 2012.</p>
BACKGROUND	<p>The Orange County Sheriff-Coroner Department is a large, multi-faceted law enforcement agency served by approximately 3,800 sworn and professional staff members and over 800 reserve personnel. Sheriff Don Barnes delegates authority to his executive team made up of one Undersheriff, three Assistant Sheriffs, an Executive Director, four Commanders and one Senior Director who administer the daily activities of the captains and professional staff at the division head level.</p> <p>The department consists of five organizational Commands comprised of 21 separate Divisions. OCSD's Financial Operations unit within the Financial/Administrative Services Division is responsible for oversight of the revolving funds process.</p> <p>The department has the following two revolving funds with a total authorized amount of \$250,000:</p> <ul style="list-style-type: none"> • \$247,000 revolving cash fund used for employee travel cash advances and departmental petty cash (making change and purchasing supplies and services). • \$3,000 revolving cash fund used for emergency management. <p>During the audit period, total revolving fund expenditure reimbursements for the two funds were approximately \$1,485,000 of which \$898,300 (60%) were for travel cash advances, and \$586,700 (40%) for petty cash transactions.</p>



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PURPOSE & AUTHORITY	We performed this audit in accordance with the Annual Risk Assessment & Audit Plan for FY 2019-20 approved by the Audit Oversight Committee (AOC) and Board of Supervisors (Board).
PROFESSIONAL STANDARDS	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.
FOLLOW-UP PROCESS	<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>
MANAGEMENT'S RESPONSIBILITY FOR INTERNAL CONTROL	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.
INTERNAL CONTROL LIMITATIONS	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.



APPENDIX B: FINDING TYPE CLASSIFICATION

Critical Control Weakness	Significant Control Weakness	Control Finding
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 Critical Control Weaknesses brought to its attention immediately.	These are audit findings or a combination of audit findings that represent a significant deficiency in the design or operation of internal controls. Significant Control Weaknesses require prompt corrective actions.	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. Control Findings are expected to be addressed within our follow-up process of six months, but no later than twelve months.



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APPENDIX C: SHERIFF-CORONER MANAGEMENT RESPONSE

ORANGE COUNTY SHERIFF'S DEPARTMENT

EXTERNAL MEMO

To: Director Aggie Alonso, Orange County Internal Audit Department
From: Director Noma M. Crook, Financial/Administrative Services Division
Date: October 14, 2020
RE: Internal Control Audit: Sheriff-Coroner Revolving Funds #1917



As requested, attached is the Management Letter and the response to the Internal Control Audit: Sheriff-Coroner Revolving Funds Draft Audit Report.

If you have any questions or require additional information, please contact Monique Vansuch, Audit Manager at (714) 834-3201 or me at (714) 834-6681 for further assistance.

c: Executive Director Brian Wayt, Administrative Services Command
Senior Director Robert Beaver, Administrative Services
Sharon Tabata, Assistant Director, Financial/Administrative Services Division
Linh Vuong, Cost/Audit Manager, Financial/Administrative Services Division
Lynn Wilkerson, Financial Operations Manager, Financial/Administrative Services Division
Karla Lazaridis, Administrative Manager I, Financial/Administrative Services Division
Scott Suzuki, Assistant Director, Orange County Internal Audit Department
Michael Dean, Senior Audit Manager, Orange County Internal Audit Department

Integrity without compromise | Service above self | Professionalism in the performance of duty | Vigilance in safeguarding our community



Internal Control Audit: Sheriff-Coroner Revolving Funds #1917

Sheriff-Coroner Response

Finding # No. 1:

Reconciliations

There are issues with OCSD fund and bank reconciliations including discrepancies, long outstanding checks, and improper supervisory review.

During our review of select reconciliations, we noted the following issues:

- Certain balances were not properly supported on the bank reconciliations. Upon Internal Audit inquiry, OCSD discovered errors in the reconciliations. OCSD management has since reviewed prior reconciliations (dating back to 2017) to identify discrepancies and revised bank reconciliations with proper and supported balances.
- There are 19 long outstanding checks totaling \$3,283. The checks have been outstanding as of the end of the audit period for an average of approximately two years. In addition, six of those checks are no longer listed in the account ledger, but remain on the bank statement, which is causing an understatement of outstanding checks on the reconciliation. OCSD management stated they are currently working to clear long outstanding items, including resolving the old checks captured on the bank statements that have dropped off from their internal ledger.
- The reviewer did not date the reconciliation upon review for four of six (two fund and two bank) reconciliations tested.

Recommendation:

OCSD management:

- A. Perform a thorough supervisory review to ensure reconciliations are properly prepared and adequately supported.
- B. Ensure outstanding reconciling items are identified, investigated, and resolved timely.
- C. Ensure reconciliations are signed and dated by both the preparer and reviewer.

Response:

Concur.

- A. OCSD Financial/Administrative Services management has implemented a three level review process including the Accounting Office Supervisor II, the Administrative Manager I and the Administrative Manager II. The fund and bank reconciliations through June 2020 have been reviewed. Future reconciliations will be completed and reviewed within 60 days of month end to ensure they are properly prepared and adequately supported.
- B. The reconciliation process has been enhanced and includes detailed schedules for outstanding checks and reconciling items that are reviewed and cleared timely.
- C. OCSD Financial/Administrative Services management revised the reconciliation format and it now includes lines for preparer and reviewer signatures and the date signed.



Finding No. 2:**Revolving Fund Accounting System Access**

The process to administer access to the revolving fund system was informal, and there was no monitoring of access.

OCSD uses an internally developed system to process revolving fund transactions and is the system of record for reconciliations. System access is linked to the user's computer login credentials and is granted based on an e-mail request from a supervisor/manager to IT administrators. There is no formal process to grant or remove user access or conduct periodic reviews of access appropriateness.

Recommendation:

OCSD management formalize the process for granting and removing access and perform periodic user-access certification reviews for appropriateness.

Response:

Concur. OCSD Financial/Administrative Services management will review system user access on a quarterly basis to ensure only current employees have access and user levels are appropriate. This review process began in July 2020.

Finding No. 3:**Segregation of Duties**

Duties were not appropriately segregated amongst people involved in the revolving funds process. We noted the following instances in which duties were not adequately segregated:

- The replenishment support packet approver was also a check signer for four of six replenishment requests tested.
- The bank reconciliation was prepared by the fund custodian for one of four reconciliations tested.
- The preparer and reviewer of fund reconciliations were also check signers or voucher approvers for both reconciliations tested.

Recommendation:

OCSD management ensure revolving fund duties are adequately segregated.

Response:

Concur. OCSD Financial/Administrative Services management created an Authorized Signer's matrix that reflects reviewers and approvers to ensure adequate segregation of duties is maintained. The matrix was finalized in July 2020 and will be reviewed and updated on a quarterly basis.

Finding No. 4:**Cash Repayments**

Cash was accepted from employees reimbursing the revolving fund which is prohibited by County policy.

We noted four instances in which the fund custodian accepted cash repayments totaling \$444 from employees for the unused portion of travel advances.

This issue was noted in Audit No. 1056 Special Request Audit: Countywide Audit of Employee Cash Advances, issued January 27, 2012. During the first follow-up audit, OCSD informed us that the Auditor-Controller would allow cash for repayments of unused cash advances. However, current County policy requires repayments in the form of a personal check.

Recommendation:

OCSD management work with the Auditor-Controller to develop an alternative procedure when receiving cash advance repayments.

Response:

Concur. OCSD Financial/Administrative Services management has reached out to the Auditor-Controller and they are researching options for receiving cash advance repayments. The Auditor-Controller is in the process of reviewing and updating policies, however, a timeframe for the applicable policy was not provided.

Finding No. 5:**Mileage & Other Expenses Claim Form**

Mileage & Other Expense claims forms (MOE) were not properly completed or submitted within required timeframes.

Employees submit MOEs to substantiate expenses from travel cash advances issued out of the revolving fund. These forms are then submitted to Auditor-Controller (A-C) as support documentation for fund replenishment requests. We noted the following issues related to the 20 MOEs selected for review:

- Three where meals were provided at the business conference, but not properly deducted from the per diem, and supervisory review did not detect the error.
- Three were not submitted to the fund custodian within five working days after the completion of the event for which the advance was made. In addition, a submission date could not be determined for one claim due to improper documentation.
- All 20 contained errors and/or missing information that resulted in a need for OCSD Financial staff to make manual corrections.

Recommendation:

OCSD management:

A. Ensure supervisory reviews identify necessary expense deductions from the per diem rate.

- B. Ensure Mileage & Other Expenses Claim forms are submitted to the fund custodian within five working days after the completion of the event for which a cash advance was made.
- C. Provide additional training to employees to ensure claim forms are submitted accurately.

Response:

Concur.

- A. OCSD Travel Coordinators will review Mileage and Other Expense claim forms in detail to ensure applicable expenses are deducted from the per diem rate.
- B. OCSD Travel Coordinators will follow up with employees that have not submitted a Mileage & Other Expenses Claim form within five working days of travel completion.
- C. OCSD Financial/Administrative Services management updated instructions for completing Mileage and Other Expense claim forms that are included in Cash Advance packets. The updated instructions will also be posted on the Department's Intranet by December 2020.

Finding No. 6:

Cash Advance Claims & Reimbursements

Cash advances were issued and claims were submitted to cover multiple employees. We noted the following procedures in which a cash advance claim and/or reimbursement was not limited to one employee:

- For extraditions and prisoner transportation, where two employees often travel to the same place, a cash advance is issued to one employee to cover expenses for both employees. In addition, one MOE form is submitted on behalf of both employees. Per OCSD, this process was in place due to State reimbursement claim requirements and has since been revised to limit one cash advance and one claim per employee.
- For Community Programs where the unit manager is responsible for paying employees' travel arrangements (such as registration and lodging), the employee is issued a cash advance to cover the meals per diem. After the event, the employee submits an MOE form that includes the manager's portion of expenses. Upon reimbursement, the employee remits personal funds to the manager for repayment of the manager's expenses. The manager does not submit an MOE for their expenses incurred.

Recommendation:

OCSD management:

- A. Limit one cash advance and claim form per employee.
- B. Consider using Cal-Cards for employee travel expenses, where feasible.

Response:

Concur.

- A. As of January 2020, Cash Advances for extraditions and prisoner transport are issued to each employee.
- B. Community Programs was notified in June 2020 that each employee will need to submit an Expediter request for travel. Applicable costs will be paid with the Travel card.