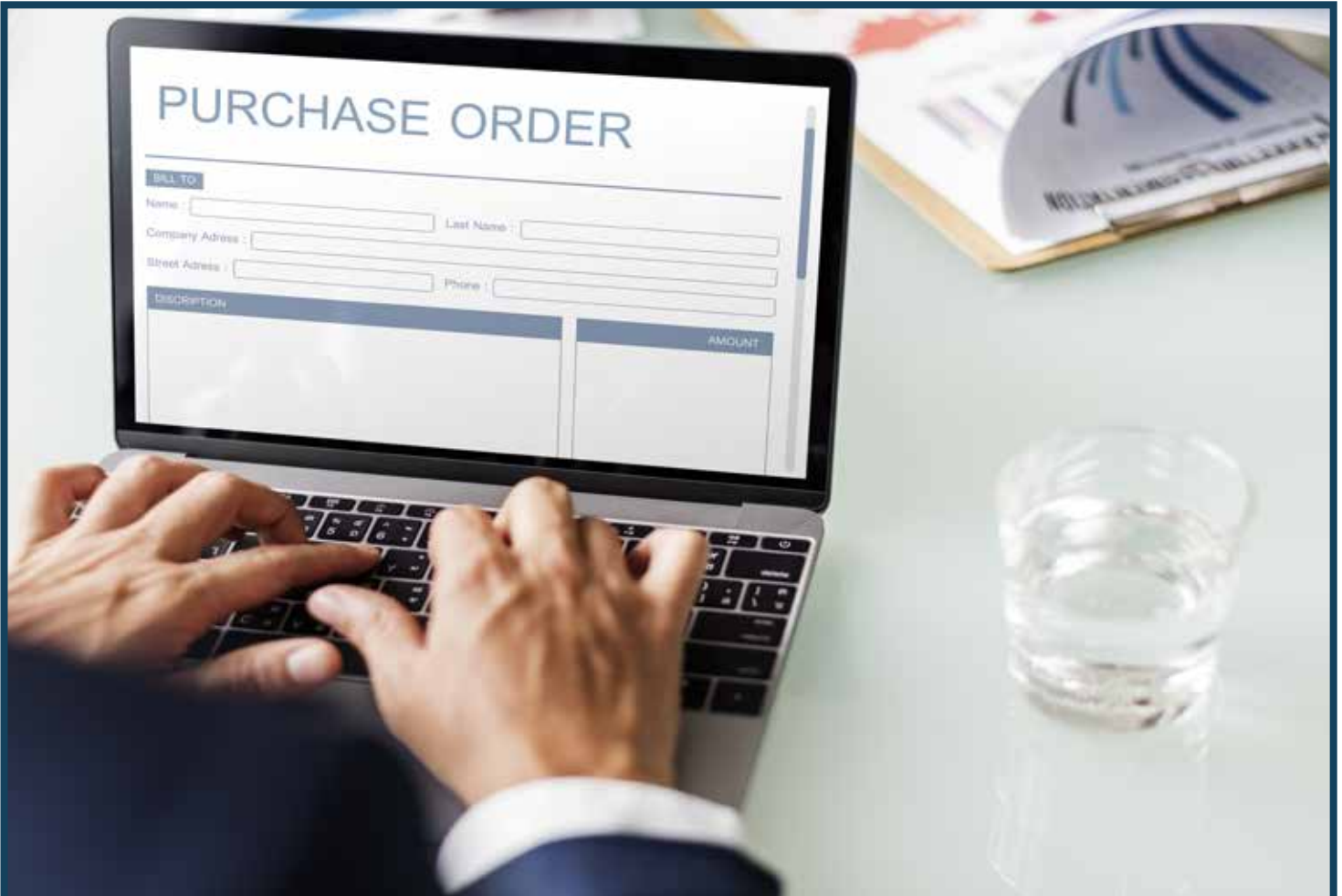




INTERNAL AUDIT DEPARTMENT



First & Final Close-Out Follow-Up Internal Control Audit: Health Care Agency Purchasing

As of October 31, 2020

Audit No. 1939-J (Reference 1819-F1)
Report Date: January 28, 2021

Recommendation Status

2

Implemented

0

In Process

0

Not Implemented

0

Closed

OC Board of Supervisors

CHAIRMAN ANDREW DO
1st DISTRICT

VICE CHAIRMAN DOUG CHAFFEE
4th DISTRICT

VACANT
2nd DISTRICT

SUPERVISOR DONALD P. WAGNER
3rd DISTRICT

SUPERVISOR LISA A. BARTLETT
5th DISTRICT



INTERNAL AUDIT DEPARTMENT

Audit No. 1939-J
(Reference 1819-F1)

January 28, 2021

To: Clayton Chau, MD, PhD
Health Care Agency Director

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit: Health Care Agency
Purchasing

We have completed a follow-up audit of the Health Care Agency (HCA) Purchasing process as of October 31, 2020, original Audit No. 1819, dated March 23, 2020. Details of our results immediately follow this letter. Additional information including background and our scope is included in Appendix A.

Our first follow-up audit concluded that HCA implemented the two (2) recommendations. Because the recommendations were implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by HCA 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
- County Executive Office Distribution
- Health Care Agency Distribution
- Robin Stieler, Clerk of the Board
- Foreperson, Grand Jury
- Eide Bailly, LLP, County External Auditor

INTERNAL AUDIT DEPARTMENT

RESULTS

FINDING NO. 1	User Access Review
CATEGORY	Control Finding
RECOMMENDATION	HCA management should ensure: A. User access to Expediter is maintained only for authorized personnel. B. Adequate documentation of user access reviews is maintained.
CURRENT STATUS	Implemented. HCA has implemented an annual review of OC Expediter users and roles and maintains adequate documentation of the reviews. HCA performed a review of OC Expediter users and roles in December 2019 and began another review in December 2020 (currently in process). We selected user modification requests and verified they were properly processed via OC Expediter. Based on the actions taken by HCA, we consider this recommendation implemented.

FINDING NO. 2	Internal Policy and Procedures
CATEGORY	Control Finding
RECOMMENDATION	HCA management ensure internal policy and procedures regarding purchasing are properly updated and reviewed.
CURRENT STATUS	Implemented. HCA has properly updated and reviewed its internal policy and procedures applicable to purchasing. Based on the actions taken by HCA, we consider this recommendation implemented.

AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA, CFE Michael Dean, CPA, CIA, CISA Gianne Morgan, CIA Alejandra Hernandez Mari Elias, DPA	Assistant Director Senior Audit Manager Audit Manager Senior Auditor Administrative Services Manager
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by HCA as of October 31, 2020 to implement the two (2) recommendations from our original Audit No. 1819, dated March 23, 2020.
BACKGROUND	The original audit evaluated effectiveness of internal control over the purchasing process. The original audit identified two (2) Control Findings.



INTERNAL AUDIT DEPARTMENT

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.

