



# INTERNAL AUDIT DEPARTMENT



## First Follow-Up Internal Control Audit: OC Community Resources Cash Disbursements & Payables

As of March 9, 2022

Audit No. 2139-H (Reference 2014-F1)  
Report Date: March 30, 2022

### Recommendation Status

2

Implemented

1

In Process

0

Not Implemented

0

Closed

## OC Board of Supervisors

CHAIRMAN DOUG CHAFFEE  
4th DISTRICT

VICE CHAIRMAN DONALD P. WAGNER  
3rd DISTRICT

SUPERVISOR ANDREW DO  
1st DISTRICT

SUPERVISOR KATRINA FOLEY  
2nd DISTRICT

SUPERVISOR LISA A. BARTLETT  
5th DISTRICT



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Audit No. 2139-H  
(Reference 2014-F1)

March 30, 2022

To: Dylan Wright  
OC Community Resources Director

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

Subject: First Follow-Up Internal Control Audit: OC Community Resources Cash  
Disbursements & Payables

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We have completed a follow-up audit of OC Community Resources (OCCR) cash disbursements and payables as of March 9, 2022, original Audit No. 2014, dated June 30, 2021. 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 OCCR implemented two (2) recommendations and is in the process of implementing the one (1) remaining recommendation. A second follow-up audit will be performed in approximately six months and a follow-up audit report form is attached to facilitate that audit. Any recommendations not implemented or in process at that time will be brought to the attention of the Audit Oversight Committee at its next scheduled meeting.

We appreciate the assistance extended to us by OCCR 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
- OC Community Resources Distribution
- Auditor-Controller Satellite Accounting Operations Distribution
- Robin Stieler, Clerk of the Board
- Foreperson, Grand Jury
- Eide Bailly LLP, County External Auditor

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## RESULTS

<b>FINDING NO. 1</b>	<b>Personally Identifiable Information</b>
<b>CATEGORY</b>	<b>Significant Control Weakness</b>
<b>RECOMMENDATION</b>	OCCR redact PII from disbursement supporting documentation.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> OCCR has replaced the disbursement supporting documentation identified in our original audit with a redacted version. In addition, OCCR has determined that the supporting worksheets, which contain PII, will no longer be included in the disbursement payment documentation.</p> <p>We reviewed a recent disbursement made payable to the same vendor and did not note any PII in the supporting documentation.</p> <p>Based on the actions taken by OCCR, we consider this recommendation implemented.</p>
<b>FINDING NO. 2</b>	<b>Transfer of Accountability</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	OCCR ensure transfers of accountability are documented when monies are transferred between employees.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> OCCR has implemented a transfer of accountability log to document when monies are transferred between employees. This log includes details of the check being transferred, the date, the receiving party's name, and signatures.</p> <p>Based on the actions taken by OCCR, we consider this recommendation implemented.</p>
<b>FINDING NO. 3</b>	<b>Timely Payment of Invoices</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	OCCR apply resources as necessary to ensure invoices are processed within 30 days of receipt.



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**CURRENT STATUS & PLANNED ACTION**

**In Process.** Although OCCR has reduced Accounts Payable unit vacancies to one and is working to improve its invoice processing times, two of five (40%) recent disbursements made in February 2022 were not processed within 30 days.

OCCR will continue to strive towards processing invoices within 30 days.

Based on the actions taken by OCCR, we consider this recommendation in process.

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**AUDIT TEAM**

Scott Suzuki, CPA, CIA, CISA, CFE  
Michael Dean, CPA, CIA, CISA  
Zan Zaman, CPA, CIA, CISA  
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

<b>SCOPE</b>	Our follow-up audit was limited to reviewing actions taken by OCCR as of March 9, 2022 to implement the three (3) recommendations from our original Audit No. 2014, dated June 30, 2021.
<b>BACKGROUND</b>	The original audit evaluated operational effectiveness of internal control over the cash disbursements and payables process. The original audit identified one (1) Significant Control Weakness and two (2) 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.

