



# INTERNAL AUDIT DEPARTMENT



## First Follow-Up Internal Control Audit: OC Public Works/OC Road Special Revenue Funds

As of February 28, 2022

Audit No. 2139-M (Reference 2019-F1)  
Report Date: March 31, 2022

### Recommendation Status



Implemented



In Process



Not Implemented



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



## INTERNAL AUDIT DEPARTMENT

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Audit No. 2139-M  
(Reference 2019-F1)

March 31, 2022

To: James Treadaway  
OC Public Works Director

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

Subject: First Follow-Up Internal Control Audit: OC Public Works/OC Road Special  
Revenue Funds

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We have completed a follow-up audit of OC Public Works (OCPW)/OC Road special revenue funds as of February 28, 2022, original Audit No. 2019, dated August 9, 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 OCPW is in the process of implementing the one (1) 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 OCPW 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 Public Works 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>Development Deposits</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	OCPW management should determine whether Fund 115 – BSAC 9120 dormant account balances should be held or disbursed and closed.
<b>CURRENT STATUS &amp; PLANNED ACTION</b>	<p><b>In Process.</b> OCPW has addressed three out of the four sub-accounts. For the remaining sub-account, OCPW has determined its disposition and plans to work with County Counsel and Auditor-Controller to disburse the funds.</p> <p>Based on the actions taken by OCPW, we consider this recommendation in process.</p>

<b>AUDIT TEAM</b>	Scott Suzuki, CPA, CIA, CISA, CFE Michael Dean, CPA, CIA, CISA Gianne Morgan, 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 OCPW as of February 28, 2022 to implement the one (1) recommendation from our original Audit No. 2019, dated August 9, 2021.
<b>BACKGROUND</b>	The original audit evaluated operational effectiveness of internal control over OC Road special revenue funds process. The original audit identified one (1) Control Finding.



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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.

