



INTERNAL AUDIT DEPARTMENT



Second & Final Close-Out Follow-Up Internal Control Audit: OC Public Works/OC Road Special Revenue Funds

As of December 31, 2022

Audit No. 2239-O (Reference 2019-F2)
Report Date: March 7, 2023

Recommendation Status

FIRST FOLLOW-UP

0

1

0

0

SECOND FOLLOW-UP

1

0

0

0

Implemented

In Process

Not Implemented

Closed

Second Follow-Up totals represent findings that were
In Process or Not Implemented at First Follow-Up

OC Board of Supervisors

CHAIRMAN DONALD P. WAGNER
3rd DISTRICT

VICE CHAIRMAN ANDREW DO
1st DISTRICT

SUPERVISOR VICENTE SARMIENTO
2nd DISTRICT

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4th DISTRICT

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5th DISTRICT



INTERNAL AUDIT DEPARTMENT

Audit No. 2239-O
(Reference 2019-F2)

March 7, 2023

To: James Treadaway
OC Public Works Director

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

Subject: Second & Final Close-Out Follow-Up Internal Control Audit: OC Public Works/
OC Road Special Revenue Funds

We have completed a follow-up audit of OC Public Works (OCPW)/OC Road special revenue funds as of December 31, 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 second follow-up audit concluded that OCPW implemented the one (1) recommendation from the original audit. Because this recommendation was implemented, this report represents the final close-out of the original audit.

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 Senior Audit Manager Michael Dean at (714) 834-4101.

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

FINDING NO. 1	Development Deposits	
CATEGORY	Control Finding	
RECOMMENDATION	OCPW management should determine whether Fund 115 – BSAC 9120 dormant account balances should be held or disbursed and closed.	
CURRENT STATUS	Implemented. The first follow-up audit concluded that OCPW addressed three out of the four sub-accounts. Since then, OCPW has disbursed and closed the last remaining sub-account. Based on the actions taken by OCPW, we consider this recommendation implemented.	
AUDIT TEAM	Michael Dean, CPA, CIA, CISA Gianne Morgan, CIA, CISA Mary Ann Cosep Mari Elias, DPA	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 OCPW as of December 31, 2022 to implement the one (1) recommendation in process at the time of our first follow-up Audit 2139-M, dated March 31, 2022.
BACKGROUND	The original audit evaluated operational effectiveness of internal control over the special revenue funds process. The first follow-up audit concluded OCPW was in the process of implementing one (1) recommendation.



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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.

