



# INTERNAL AUDIT DEPARTMENT



**First & Final Close-Out Follow-Up  
Internal Control Audit:  
OC Community Resources  
Fee-Generated Revenue**

**As of January 31, 2023**

**Audit No. 2112-F1 (Reference 2239-E)  
Report Date: March 15, 2023**

## Recommendation Status

**2**

**Implemented**

**0**

**In Process**

**0**

**Not Implemented**

**0**

**Closed**

## OC Board of Supervisors

CHAIRMAN DONALD P. WAGNER  
3rd DISTRICT

VICE CHAIRMAN ANDREW DO  
1st DISTRICT

SUPERVISOR VICENTE SARMIENTO  
2nd DISTRICT

SUPERVISOR DOUG CHAFFEE  
4th DISTRICT

SUPERVISOR KATRINA FOLEY  
5th DISTRICT



## INTERNAL AUDIT DEPARTMENT

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Audit No. 2112-F1  
(Reference 2239-E)

March 15, 2023

To: Dylan Wright  
OC Community Resources Director

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit: OC Community Resources Fee-Generated Revenue

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We have completed a follow-up audit of OC Community Resources (OCCR) fee-generated revenue process as of January 31, 2023, original Audit No. 2112, dated September 15, 2022. 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 the two (2) recommendations from the original audit. Because all recommendations were implemented, this report represents the final close-out of the original audit.

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 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 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>Internal Policy and Procedures</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	OCCR update its written policy and procedures over the fee development process.
<b>CURRENT STATUS</b>	<b>Implemented.</b> OCCR has revised its policy and procedures over the fee development process as of January 31, 2023.  Based on the actions taken by OCCR, we consider this recommendation implemented.

<b>FINDING NO. 2</b>	<b>Fee Time-Cycles</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	OCCR implement a fee revision time-cycle to maximize cost recovery goals and ensure current program activities are captured in the fee calculation.
<b>CURRENT STATUS</b>	<b>Implemented.</b> OCCR has implemented a fee revision time-cycle in its updated policy and procedures to maximize cost recovery goals and to ensure current program activities are captured in the fee calculation.  Based on the actions taken by OCCR, we consider this recommendation implemented.

<b>AUDIT TEAM</b>	Michael Dean, CPA, CIA, CISA Zan Zaman, CPA, CIA, CISA Stephany Franco Mari Elias, DPA	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 January 31, 2023 to implement the two (2) recommendations from our original Audit No. 2112, dated September 15, 2022.
<b>BACKGROUND</b>	The original audit evaluated operational effectiveness of internal control over the fee development process. The original audit identified 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.

