



# INTERNAL AUDIT DEPARTMENT



**First & Final Close-Out Follow-Up  
Internal Control Audit:  
County Executive Office  
Cash Disbursements & Payables**

**As of November 30, 2023**

**Audit No. 2012-F1  
Report Date: December 28, 2023**

## Recommendation Status

**3**

**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. 2012-F1

December 28, 2023

To: Frank Kim  
County Executive Officer

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit: County Executive Office  
Cash Disbursements & Payables

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We have completed a follow-up audit of County Executive Office (CEO) cash disbursements and payables as of November 30, 2023, original Audit No. 2012, dated February 14, 2023. 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 the CEO implemented all three (3) 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 CEO personnel during our follow-up audit. If you have any questions, please contact me at (714) 834-5442.

### Attachments

#### Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- County Executive Office 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>Invoice Processing Enhancements</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	<p>CEO management consider:</p> <p>A. Using an online requisition system, such as OC Expediter, to route, track, and obtain confirmation of goods and services for all invoices or seek other options to enhance monitoring accuracy, documentation, transparency, and remote work feasibility.</p> <p>B. Submitting all invoices electronically to A-C for payment processing.</p>
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> CEO has transitioned to utilizing an online requisition system, OC Expediter, to route, track, and obtain confirmation of goods and services for all invoices. In addition, the A-C has validated that the CEO now submits all invoices electronically for payment processing, except for certain payments that are required to be handled manually.</p> <p>We reviewed a sample of five (5) invoices and noted all (100%) were routed in OC Expediter and submitted electronically to A-C's satellite accounting unit for payment processing.</p> <p>Based on the actions taken by the CEO, we consider this recommendation implemented.</p>

<b>FINDING NO. 2</b>	<b>Internal Policy and Procedures</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	<p>CEO management ensure its written policy and procedures over the cash disbursements and payables process are updated to include guidance regarding the following:</p> <ul style="list-style-type: none"> <li>• Transfer of accountability for will-call checks.</li> <li>• Advance payments.</li> <li>• Periodic review and update of a detailed staff assignment list.</li> </ul>
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> CEO has updated its written policy and procedures over the cash disbursements and payables process to include guidance regarding the transfer of accountability for will-call checks, advance payments, and the periodic review and update of a detailed staff assignment list.</p> <p>Based on the actions taken by the CEO, we consider this recommendation implemented.</p>



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<b>FINDING No. 3</b>	<b>Date Stamping of Invoices</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	CEO management ensure all vendor invoices are date-stamped upon receipt.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> With CEO's new process of utilizing OC Expediter to route, track, and obtain confirmation of goods and services for all invoices, the person who receives the invoice "date-stamps" it by recording the receipt date in the first comment of the 'Routing' section of each 'Acknowledge/Approval of Goods &amp; Services' requisition.</p> <p>We reviewed a sample of five (5) invoices and noted all (100%) were date-stamped upon receipt as described above.</p> <p>Based on the actions taken by the CEO, we consider this recommendation implemented.</p>

<b>AUDIT TEAM</b>	Michael Dean, CPA, CIA, CISA Gianne Morgan, CIA, CISA Mary Ann Cosep Thuy Luu	Senior Audit Manager Audit Manager Senior Auditor Staff Specialist
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## APPENDIX A: ADDITIONAL INFORMATION

<b>SCOPE</b>	Our follow-up audit was limited to reviewing actions taken by CEO as of November 30, 2023 to implement the three (3) recommendations from our original Audit No. 2012, dated February 14, 2023.
<b>BACKGROUND</b>	The original audit evaluated operational effectiveness of internal control over the cash disbursements and payables process. The original audit identified three (3) 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.

