



INTERNAL AUDIT DEPARTMENT



First & Final Close-Out Follow-Up Internal Control Audit: John Wayne Airport Cash Receipts

As of May 2, 2024

Audit No. 2116-F1
Report Date: May 21, 2024

Recommendation Status

4

Implemented

0

In Process

0

Not Implemented

0

Closed

OC Board of Supervisors

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3rd DISTRICT

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2nd DISTRICT

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5th DISTRICT



INTERNAL AUDIT DEPARTMENT

Audit No. 2116-F1

May 21, 2024

To: Charlene Reynolds
John Wayne Airport Director

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit: John Wayne Airport Cash Receipts

We have completed a follow-up audit of John Wayne Airport (JWA) cash receipts as of May 2, 2024, original Audit No. 2116, dated June 19, 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 that JWA implemented all four (4) recommendations. Because all recommendations were implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by JWA 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
- John Wayne Airport Distribution
- Auditor-Controller Satellite Accounting Operations Distribution
- Robin Stieler, Clerk of the Board
- Foreperson, Grand Jury
- Eide Bailly LLP, County External Auditor

INTERNAL AUDIT DEPARTMENT

RESULTS

FINDING NO. 1	Monitoring Activities
CATEGORY	Control Finding
RECOMMENDATION	JWA enhance monitoring activities by performing ongoing and separate evaluations of cash receipts controls.
CURRENT STATUS	Implemented. JWA has enhanced its monitoring activities by performing a separate evaluation of cash receipts controls. Specifically, JWA's Quality and Assurance (Q&A) team completed a documented review of four (4) cash receipts control activities (e.g. segregation of duties and safeguarding of assets) in December 2023. The JWA Q&A team plans to perform this evaluation on an annual basis. Based on the actions taken by JWA, we consider this recommendation implemented.

FINDING NO. 2	Policies and Procedures for Cashiering
CATEGORY	Control Finding
RECOMMENDATION	JWA management establish documented policies and procedures regarding cashiering.
CURRENT STATUS	Implemented. Effective October 2023, JWA management established documented policies and procedures (P&Ps) regarding cashiering, which outline the responsibilities of those involved in the cash receipts process. In addition, JWA has made the P&Ps available to department personnel via its intranet site. Based on the actions taken by JWA, we consider this recommendation implemented.



INTERNAL AUDIT DEPARTMENT

FINDING NO. 3	Record of Keyholders
CATEGORY	Control Finding
RECOMMENDATION	JWA management assign custody of keys and maintain a written record of keyholders.
CURRENT STATUS	<p>Implemented. JWA has assigned custody of the keys for the locked bag that is used to transfer cash receipts. JWA maintains a written record of keyholders via a memorandum. We reviewed JWA’s most recent keyholder memorandum dated May 2, 2024 and verified all keyholders were current JWA employees.</p> <p>Based on the actions taken by JWA, we consider this recommendation implemented.</p>

FINDING NO. 4	Inventory of Cash Receipt Forms
CATEGORY	Control Finding
RECOMMENDATION	JWA management assign an employee with no custodial or cashiering duties to periodically perform inventories of cash receipt forms.
CURRENT STATUS	<p>Implemented. JWA has assigned an employee with no custodial or cashiering duties to perform quarterly inventories of cash receipts forms. We verified that the last quarterly inventory was performed in April 2024 by an independent employee with no custodial or cashiering duties.</p> <p>Based on the actions taken by JWA, we consider this recommendation implemented.</p>

AUDIT TEAM	Gianne Morgan, CIA, CISA Alejandra Luna Thuy Luu	Senior Audit Manager Senior Auditor Staff Specialist
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by JWA as of May 2, 2024 to implement the four (4) recommendations from our original Audit No. 2116, dated June 19, 2023.
BACKGROUND	The original audit evaluated operational effectiveness of internal control over the cash receipts process. The original audit identified four (4) Control Findings.



INTERNAL AUDIT DEPARTMENT

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.

