



# INTERNAL AUDIT DEPARTMENT



## First Follow-Up Internal Control Audit: John Wayne Airport Cash Disbursements & Payables

As of March 31, 2024

Audit No. 2013-F1  
Report Date: June 10, 2024

### Recommendation Status



Implemented



In Process



Not Implemented



Closed

## OC Board of Supervisors

CHAIRMAN DONALD P. WAGNER  
3rd DISTRICT

VICE CHAIRMAN DOUG CHAFFEE  
4th DISTRICT

SUPERVISOR ANDREW DO  
1st DISTRICT

SUPERVISOR VICENTE SARMIENTO  
2nd DISTRICT

SUPERVISOR KATRINA FOLEY  
5th DISTRICT



## INTERNAL AUDIT DEPARTMENT

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Audit No. 2013-F1

June 10, 2024

To: Charlene Reynolds  
John Wayne Airport Director

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

Subject: First Follow-Up Internal Control Audit: John Wayne Airport Cash Disbursements & Payables

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We have completed a follow-up audit of John Wayne Airport (JWA) cash disbursements and payables as of March 31, 2024, original Audit No. 2013, 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 is in the process of implementing the one recommendation from the original audit. 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 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			
<b>FINDING NO. 1</b>	<b>Timely Payments of Invoices</b>		
<b>CATEGORY</b>	<b>Control Finding</b>		
<b>RECOMMENDATION</b>	JWA management ensure invoices are paid timely (within 30 days).		
<b>CURRENT STATUS &amp; PLANNED ACTION</b>	<p><b>In Process.</b> In an effort to ensure invoices are paid timely, JWA Executive Management has notified staff of their responsibility to review and approve invoices expeditiously.</p> <p>JWA has also implemented a process via OC Expediter to monitor the status of invoices. As part of this process, staff responsible for determining the propriety of the invoice are expected to take action within five business days of receiving a request to acknowledge and approve an invoice. Approximately every two weeks, JWA Accounting compiles a list of pending invoices requiring approval and sends a reminder email to the responsible staff, manager, and division Deputy Airport Director. For invoices requiring additional time, staff document the justification (e.g., disputed invoice) and corresponding follow-up actions in OC Expediter.</p> <p>To validate JWA's efforts, we randomly selected five invoices from one of Accounting's reminder emails sent to staff in January 2024. Our review noted that although the email prompted action from the responsible parties, for one (20%) of the five invoices reviewed, the invoice was not paid within 30 days and did not contain documentation justifying the delay.</p> <p>JWA will continue to strive towards processing invoices within 30 days.</p> <p>Based on the actions taken by JWA, we consider this recommendation in process.</p>		
<b>AUDIT TEAM</b>	<table border="0"> <tr> <td>                     Gianne Morgan, CIA, CISA                      Alejandra Luna                      Thuy Luu                 </td> <td style="text-align: right;">                     Senior Audit Manager                      Senior Auditor                      Staff Specialist                 </td> </tr> </table>	Gianne Morgan, CIA, CISA Alejandra Luna Thuy Luu	Senior Audit Manager Senior Auditor Staff Specialist
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## APPENDIX A: ADDITIONAL INFORMATION

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<b>SCOPE</b>	Our follow-up audit was limited to reviewing actions taken by JWA as of March 31, 2024 to implement the one recommendation from our original Audit No. 2013, dated June 19, 2023.
<b>BACKGROUND</b>	The original audit evaluated operational effectiveness of internal control over the cash disbursements and payables process. The original audit identified one Control Finding.

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# 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.

