



# INTERNAL AUDIT DEPARTMENT



**CONTRACT**

**First & Final Close-Out Follow-Up  
Internal Control Audit:  
District Attorney-Public Administrator  
Purchasing & Contracts  
As of May 15, 2025**

**Audit No. 2213-F1  
Report Date: June 30, 2025**

## Recommendation Status

**6**

**Implemented**

**0**

**In Process**

**0**

**Not Implemented**

**0**

**Closed**

## OC Board of Supervisors

CHAIR DOUG CHAFFEE  
4th DISTRICT

VICE CHAIR KATRINA FOLEY  
5th DISTRICT

SUPERVISOR JANET NGUYEN  
1st DISTRICT

SUPERVISOR VICENTE SARMIENTO  
2nd DISTRICT

SUPERVISOR DONALD P. WAGNER  
3rd DISTRICT



## INTERNAL AUDIT DEPARTMENT

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Audit No. 2213-F1

June 30, 2025

To: Todd Spitzer  
District Attorney-Public Administrator

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit: District Attorney-Public Administrator Purchasing & Contracts

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We have completed a follow-up audit of District Attorney-Public Administrator (OCDA) Purchasing & Contracts as of May 15, 2025, original Audit No. 2324 (2213), dated March 29, 2024. Details of our results immediately follow this letter. Additional information, including background and our scope, is included in Appendix A.

We followed up on the status of the six recommendations from our original audit and concluded that OCDA implemented all recommendations. Therefore, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by OCDA personnel during our follow-up audit. If you have any questions, please contact me at (714) 834-5442 or Deputy Director Jose Olivo at (714) 834-5509.

### Attachments

#### Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- District Attorney-Public Administrator 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>Emergency Procurement</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	<p>OCDA management should:</p> <ul style="list-style-type: none"><li>A. Ensure emergency purchases are recorded under the correct procurement type and obtain Board approval when an emergency procurement exceeds the established threshold.</li><li>B. Ensure the standard procurement process is followed to establish a contract if there is an ongoing need for services initially procured as an emergency.</li></ul>
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> During our original review, we noted OCDA did not always obtain approval from the Board of Supervisors (Board) for emergency purchases for services over an annual amount of \$200,000, as required by County policy. OCDA subsequently determined the purchase was not recorded under the correct procurement type as it was mostly for commodities, which did not require Board approval.</p> <p>We confirmed recent OCDA emergency purchases have complied with County policy. Specifically, OCDA procured two emergency contracts during the follow-up audit period. Both contracts were recorded under the correct procurement type and neither required Board approval as they were below the \$200,000 annual threshold.</p> <p>We also noted that for one of the two contracts, OCDA identified an ongoing need for services and therefore they followed the standard procurement process to properly establish a standing contract.</p> <p>Based on the actions taken by OCDA, we consider this recommendation implemented.</p>



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<b>FINDING NO. 2</b>	<b>Business Continuity Plan</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	OCDA management ensure a business continuity plan is established and includes written procedures for procurement in the event of an emergency or other disruption.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> OCDA established a written Business Continuity Plan which includes procedures for procurement in the event of an emergency or other disruption. The plan details procedures such as for responsibilities, manual procurement procedures, recovery and restoration, and plan review and revisions.</p> <p>Based on the actions taken by OCDA, we consider this recommendation implemented.</p>

<b>FINDING NO. 3</b>	<b>Network Access to Procurement Files</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	<p>OCDA management ensure:</p> <p>A. Network access to procurement files is restricted to only staff with a direct business need.</p> <p>B. Sensitive data is redacted from procurement documentation.</p>
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> During our original review, we noted at least three users with access to procurement files on the network, no longer needed access. We also noted physical procurement documentation (i.e., a W-9 form) contained an Employer Identification Number (EIN), which is considered sensitive and should have been safeguarded/redacted to decrease the risk of fraud.</p> <p>We confirmed OCDA restricted access to procurement files to active employees with a direct business need by reviewing OCDA's user access review and performing analytics on the updated user list. Specifically, in May 2025, OCDA's Procurement Contract Administrator and Director of Operations reviewed a list of staff with access to OCDA's procurement network files to verify staff had a direct business need to access procurement files. We also compared the user listing to the active employee report we obtained from the County's Human Resource Data Portal and verified users were active employees.</p> <p>In addition, we reviewed procurement files and confirmed OCDA deleted vendor W-9 forms or redacted sensitive data such as Employer Identification Numbers. Specifically, we sampled three contracts within the audit period and noted all three vendor W-9s were deleted.</p> <p>Based on the actions taken by OCDA, we consider this recommendation implemented.</p>



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<b>FINDING NO. 4</b>	<b>Requisition System</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	<p>OCDA management:</p> <p>A. Ensure the transition to the County's online requisition system is completed.</p> <p>B. Perform formal, documented user-access certification reviews for appropriateness to ensure access is restricted to individuals with direct business need and access no longer required is disabled.</p>
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> OCDA transitioned from their paper requisition process to the County's online requisition system in July 2024.</p> <p>We also confirmed that OCDA's Procurement Contact Administrator and Director of Operations periodically review user access reports generated from the County's online requisition system. Specifically, we reviewed three user access reports where OCDA documented that all individuals with access had a direct business need.</p> <p>Based on the actions taken by OCDA, we consider this recommendation implemented.</p>

<b>FINDING NO. 5</b>	<b>Bid Timestamp Documentation</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	<p>OCDA management ensure all solicitation bids and proposals received are immediately time and date-stamped upon receipt.</p>
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> During our original review, we noted OCDA did not always time and date stamp bids/proposals upon receipt. We confirmed that OCDA now utilizes a cloud-based procurement and contract management software to receive bids electronically. The software automatically time and date-stamps all bids received. We reviewed three bids submitted during the follow-up audit period and confirmed all three bids were digitally time and date-stamped.</p> <p>Based on the actions taken by OCDA, we consider this recommendation implemented.</p>



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<b>FINDING NO. 6</b>	<b>Internal Policies and Procedures</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	OCDA management establish written internal policies and procedures that addresses the department's purchasing and contracting process, such as the hiring of former (or current) employees as contractors, purchasing approvals, and contract issuance.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> OCDA established a written internal procedure for the hiring of former (or current) employees as contractors. The procedure includes conflict of interest guidelines, procurement process steps, and contract approval requirements.</p> <p>Based on the actions taken by OCDA, we consider this recommendation implemented.</p>

<b>AUDIT TEAM</b>	Michael Dean, CPA, CIA, CISA Daniel Ortiz, CPA Tina Dinh Gabriela Cabrera, CIA	Assistant Deputy Director 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 OCDA as of May 15, 2025, to implement the six recommendations from our original audit, dated March 29, 2024.
<b>BACKGROUND</b>	The original audit evaluated operational effectiveness of internal control over the purchasing and contracts process. The original audit identified six 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.

