



PUBLIC INFORMATION

INTERNAL AUDIT DEPARTMENT



**First & Final Close-Out Follow-Up
Internal Control Audit:
Child Support Services Cash Receipts
As of April 11, 2025**

**Audit No. 2306-F1
Report Date: June 30, 2025**

Recommendation Status

6

Implemented

0

In Process

0

Not Implemented

1

Closed

OC Board of Supervisors

CHAIR DOUG CHAFFEE
4th DISTRICT

VICE CHAIR KATRINA FOLEY
5th DISTRICT

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1st DISTRICT

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2nd DISTRICT

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3rd DISTRICT



INTERNAL AUDIT DEPARTMENT

Audit No. 2306-F1

June 30, 2025

To: Maria Arzola
Child Support Services Director

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit: Child Support Services
Cash Receipts

We have completed a follow-up audit of Child Support Services (CSS) Cash Receipts as of April 11, 2025, original Audit No. 2306, dated June 28, 2024. Due to the sensitive nature of specific findings (restricted information), results are redacted from public release. Additional information including background and our scope is included in Appendix A.

We followed up on the status of seven recommendations from our original audit and concluded that CSS implemented six recommendations and one recommendation was closed (i.e., no longer applicable). Because all recommendations were implemented/closed, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by CSS 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
Michelle Aguirre, County Executive Officer
KC Roestenberg, Chief Information Officer

INTERNAL AUDIT DEPARTMENT

RESULTS

FINDING NO. 1	Content has been removed due to the sensitive nature of the finding.
FINDING NO. 2	Personally Identifiable Information
CATEGORY	Significant Control Weakness
RECOMMENDATION	CSS management ensure PII is redacted from desk procedures.
CURRENT STATUS	<p>Implemented. During our original review, we noted the CSS Supervisor Cashier Manual contained PII information. We confirmed that in May 2024, CSS updated its Supervisor Cashier Manual to redact PII information. In addition, we noted CSS instructed applicable personnel to properly destroy prior versions of the manual that contained PII to protect and prevent the disclosure of sensitive information.</p> <p>Based on the actions taken by CSS management, we consider this recommendation implemented.</p>
FINDING NO. 3	User Access Certification Reviews
CATEGORY	Significant Control Weakness
RECOMMENDATION	CSS management perform formal, documented user access certification reviews for appropriateness to ensure access is restricted to individuals with a direct business need and access is disabled when no longer required.
CURRENT STATUS	<p>Implemented. We confirmed CSS performed formal, documented user access certification reviews to ensure access is restricted to individuals with a direct business need, by reviewing certification reviews CSS conducted in November 2024 and March 2025. CSS indicated they will continue to perform reviews on a quarterly basis.</p> <p>Based on the actions taken by CSS management, we consider this recommendation implemented.</p>



INTERNAL AUDIT DEPARTMENT

FINDING NO. 4	Badge Scan Entry to Cage
CATEGORY	Control Finding
RECOMMENDATION	CSS management consider programming badge access to require two scans by authorized employees to enter the cage.
CURRENT STATUS	<p>Implemented. During our original review, we noted one employee on their own, could access the CSS cage where the safe and undeposited cash is stored, which increases the risk of misappropriation of cash assets. We confirmed CSS has implemented controls to help ensure no single person has full access/control to the cage. Specifically:</p> <ul style="list-style-type: none"> • CSS programmed badge access to require two authorized employees to scan their badge to enter the cage. We observed the dual badge access system during a site visit and validated that two authorized employees must scan their badges to enter the cage. We also observed that the system automatically triggers an alarm if one employee exits the cage without the second employee's badge scan. • CSS established a process to require the PPM team to conduct periodic internal reviews of badge entries into the cage, by reviewing a recent example of the quarterly monitoring. <p>Based on the actions taken by CSS management, we consider this recommendation implemented.</p>

FINDING NO. 5	Cashier Tills
CATEGORY	Control Finding
RECOMMENDATION	CSS management ensure cashier tills are locked after each transaction.
CURRENT STATUS	<p>Implemented. We confirmed CSS has implemented controls to ensure cashier tills are locked after each transaction. Specifically, CSS established procedures to require:</p> <ul style="list-style-type: none"> • Cashiers to lock their tills after each transaction, by reviewing CSS documented procedure and communications to applicable employees. During a site visit, we also observed that the cashier locked his till after each transaction. • The CSS PPM team to conduct periodic internal reviews via audit of video footage to ensure cashiers are adhering to this procedure, by reviewing a recent example of the monitoring. The procedure also requires the PPM team to review and address instances of non-compliance. <p>Based on the actions taken by CSS management, we consider this recommendation implemented.</p>



INTERNAL AUDIT DEPARTMENT

FINDING NO. 6	Handwritten Cash Receipt Books
CATEGORY	Control Finding
RECOMMENDATION	CSS management consider eliminating its handwritten receipt book inventory.
CURRENT STATUS	<p>Implemented. During our original review, we noted CSS stored unused handwritten receipt books in their safe. CSS stated that they eliminated the use of handwritten cash receipts but kept them in the event of extraordinary circumstances. However, an inventory performed by CSS indicated they were missing several receipt books, which increases the risk of theft if used to fraudulently process cash receipt transactions.</p> <p>During this follow-up audit, we noted that CSS determined they did not need handwritten receipt books, and we confirmed that effective August 2024, CSS eliminated its handwritten receipt inventory. Specifically, we reviewed an internal memo issued by CSS management detailing instructions for receipt book purging and destruction as well as proof of pickup for destruction by a third-party vendor.</p> <p>Based on the actions taken by CSS management, we consider this recommendation implemented.</p>

FINDING NO. 7	Overnight Drop Box
CATEGORY	Control Finding
RECOMMENDATION	CSS management implement dual custody procedures for the collection of check and money order payments from the overnight drop box.
CURRENT STATUS	<p>Closed. During our original review, we noted dual custody procedures for collecting customer payments from the overnight drop box were not in place, which increased the risk of loss or theft. CSS indicated that checks that came through the drop box were typically to the State and not CSS, which required CSS to forward the payments. As a result, CSS sealed its overnight drop box and eliminated the need to implement dual custody procedures. We verified during a site visit in April 2025 that the drop box was sealed.</p> <p>Based on the actions taken by CSS management, we consider this recommendation closed.</p>

AUDIT TEAM	Gianne Morgan, CIA, CISA Alejandra Luna Mary Ann Cosep Gabriela Cabrera, CIA	Senior Audit Manager Audit Manager Senior Auditor Administrative Services Manager
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INTERNAL AUDIT DEPARTMENT

APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by CSS as of April 11, 2025 to implement the seven recommendations from our original Audit No. 2306, dated June 28, 2024.
BACKGROUND	<p>In November 2021, CSS submitted to the Auditor-Controller (A-C) a request for relief of accountability and replenishment for a cash shortage of \$7,637. In accordance with County Accounting Manual C-3 Cash Shortages, the A-C forwarded the request to the District Attorney (DA) for review and evaluation as to whether the shortage resulted from employee fraud or gross negligence. The DA then forwarded the results of its review to our department, who is responsible for reviewing CSS controls and providing a recommendation to the A-C as to whether replenishment should be granted. Our department incorporated this review during the original audit referenced above, which evaluated the operational effectiveness of internal control over the cash receipt process. The audit took into consideration all recent cash shortages and evaluated controls that were implemented in responses to issues identified as a result of the cash loss incidents.</p> <p>The original audit identified three Significant Control Weaknesses and four Control Findings. Based on our review during the original audit and the results of this first follow-up audit, we have provided the A-C with a recommendation to replenish the cash shortage.</p>



INTERNAL AUDIT DEPARTMENT

APPENDIX B: FOLLOW-UP AUDIT IMPLEMENTATION STATUS

Implemented	In Process	Not Implemented	Closed
<p>The department has implemented our recommendation in all respects as verified by the follow-up audit. No further follow-up is required.</p>	<p>The department is in the process of implementing our recommendation. Additional follow-up may be required.</p>	<p>The department has taken no action to implement our recommendation. Additional follow-up may be required.</p>	<p>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.</p>

