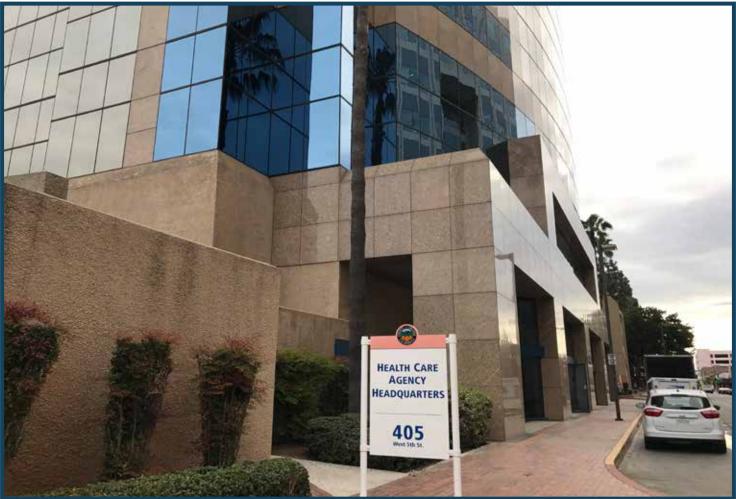


INTERNAL AUDIT DEPARTMENT



First & Final Close-Out
Follow-Up Internal Control Audit:
Health Care Agency/Public Guardian
Procurement Process for
Human Services Contracts

As of September 30, 2019

Audit No. 1839-O (Reference 1631-F1) Report Date: October 17, 2019

Recommendation Status

2

Implemented



In Process



Not Implemented



Closed

OC Board of Supervisors

Chairwoman Lisa A. Bartlett 5th District Vice Chair Michelle Steel 2nd District Supervisor Andrew Do 1st District Supervisor Donald P. Wagner 3rd District Supervisor Doug Chaffee 4th District



INTERNAL AUDIT DEPARTMENT

Audit No. 1839-O (Reference 1631-F1)

October 17, 2019

To:

Richard Sanchez, Director

Health Care Agency/Public Guardian

From:

Aggie Alonso, CPA, CIA, CRMA

Internal Audit Department Director

Subject:

First & Final Close-Out Follow-Up Internal Control Audit: Health Care Agency /

Public Guardian Procurement Process for Human Services Contracts

We have completed a follow-up audit of the Health Care Agency/Public Guardian's (HCA) procurement process for human services contracts as of September 30, 2019, original Audit No. 1631, dated December 6, 2018. 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 HCA implemented both recommendations from the original report. Because both recommendations were implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by HCA personnel during our follow-up audit. If you have any questions, please contact me at 714.834.5442 or Assistant Director Scott Suzuki at 714.834.5509.

Attachments

Other recipients of this report:
Members, Board of Supervisors
Members, Audit Oversight Committee
CEO Distribution
Health Care Agency Distribution
Auditor-Controller Satellite Accounting Operations Distribution
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly, LLP, County External Auditor

INTERNAL AUDIT DEPARTMENT

RESULTS			
FINDING No. 1	Document Retention		
CATEGORY	Control Finding		
RECOMMENDATION	We recommend HCA ensure procurement documents for human services contracts are properly retained in accordance with County record retention schedules.		
CURRENT STATUS	Implemented. We reviewed the most recent human services contract close out and determined that HCA properly retained the required procurement documentation. We also noted that HCA implemented a checklist to ensure required documents are retained as part of their procurement file. Based on the actions taken by HCA, we consider this recommendation implemented.		

FINDING No. 2	Solicitation Request Form Fields	
CATEGORY	Control Finding	
RECOMMENDATION	We recommend HCA ensure the Solicitation Request Form (SRF) is properly initialed/signed and dated by applicable parties upon completion of each section.	
CURRENT STATUS	Implemented. HCA has updated their procurement process since the original audit. HCA has transitioned to an electronic requisition process that captures required information and approvals within OC Expediter, which has replaced the Solicitation Request Form. Names and dates of approvals are electronically captured in the new requisition process. We reviewed three requisitions and confirmed the new requisition process captured the required approvals. Based on the actions taken by HCA, we consider this recommendation implemented.	

AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA	Assistant Director
	Michael Dean, CPA, CIA, CISA	Senior Audit Manager
	Gianne Acosta, CIA	Audit Manager
	Virginia Nguyen, CPA	Senior Auditor

Internal Audit Department

APPENDIX A: ADDITIONAL INFORMATION			
SCOPE	Our follow-up audit was limited to reviewing actions taken by HCA as of September 30, 2019 to implement the two (2) recommendations from our original Audit No. 1631, dated December 6, 2018.		
BACKGROUND	The original audit evaluated operational effectiveness of internal control over the procurement process for human services contracts. The original audit identified two (2) 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.