



INTERNAL AUDIT DEPARTMENT



**Second & Final Close-Out
Follow-Up Internal Control Audit:
Countywide Audit of County
Business Travel and Meeting Policy –
Clerk of the Board of Supervisors**

As of August 31, 2019

**Audit No. 1939-Q (Reference 1626-E-F2)
Report Date: December 18, 2019**

Recommendation Status

3

Implemented

0

In Process

0

Not Implemented

0

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



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Audit No. 1939-Q
(Reference 1626-E-F2)

December 18, 2019

To: Robin Stielor
Clerk of the Board of Supervisors

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

Subject: Second & Final Close-Out Follow-Up Internal Control Audit: Countywide Audit of County Business Travel & Meeting Policy – Clerk of the Board of Supervisors

We have completed a follow-up audit of Clerk of the Board of Supervisors' (COB) expenditures governed by the County Business Travel and Meeting Policy as of August 31, 2019, original Audit No. 1626-E, dated April 10, 2018. Details of our results immediately follow this letter. Additional information including background and our scope is included in Appendix A.

Our Second Follow-up Audit concluded COB implemented the three (3) remaining recommendations from the original audit. Because the recommendations were implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by COB 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
- Clerk of the Board of Supervisors Distribution
- Foreperson, Grand Jury
- Eide Bailly, LLP, County External Auditor

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RESULTS

FINDING NO. 2	Cal-Cards Used by Non-Cardholders
CATEGORY	Control Finding
RECOMMENDATION	We recommend COB ensure only authorized cardholders use Cal-Cards.
CURRENT STATUS	<p>Implemented. We reviewed Travel Card transactions for the months of April 2019 and July 2019 and determined that only authorized card holders used Cal-Cards to make purchases.</p> <p>Based on the actions taken by COB, we consider this recommendation implemented.</p>

FINDING NO. 9	Incorrect Cal-Card Type Used for Certain Purchases
CATEGORY	Control Finding
RECOMMENDATION	We recommend COB ensure each Cal-Card type is only used for authorized purposes.
CURRENT STATUS	<p>Implemented. We reviewed Travel Card and P-Card statements and account summary reports for April 2019 and July 2019, and determined that the correct Cal-Card was used for 137 out of 139 transactions (99%). Prior to the audit, COB had already identified the two transactions that were paid with the Travel Card when the P-Card should have been used. COB took remediation steps by contacting the cardholder, providing additional training, and submitting a memo to the Auditor-Controller notifying them of the error.</p> <p>Based on the actions taken by COB, we consider this recommendation implemented.</p>

FINDING NO. 10	Supporting Documentation Not Canceled
CATEGORY	Control Finding
RECOMMENDATION	We recommend COB ensure supporting documentation for travel expenditures is properly canceled (marked as "paid").



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CURRENT STATUS

Implemented. We reviewed seven revolving fund transactions and noted the supporting documentation was properly canceled (marked as “paid”).

Based on the actions taken by COB, we consider this recommendation implemented.

AUDIT TEAM

Scott Suzuki, CPA, CIA, CISA
Michael Dean, CPA, CIA, CISA
Gianne Morgan, CIA
Virginia Nguyen, CPA

Assistant Director
Senior Audit Manager
Audit Manager
Senior Auditor



APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by COB as of August 31, 2019 to implement the three (3) remaining recommendations from our First Follow-Up Audit No. 1839-E, dated February 22, 2019.
BACKGROUND	The original audit evaluated operational effectiveness of internal control for expenditures governed by the County Business Travel and Meeting Policy. The First Follow-Up Audit concluded COB implemented eight (8) recommendations and was in process of implementing three (3) recommendations.



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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.

