



INTERNAL AUDIT DEPARTMENT



Image courtesy of the Orange County Sheriff's Department

**First & Final Close-Out
Follow-Up Internal Control Audit:
Sheriff-Coroner
Billing of Law Enforcement Services for
Harbor Patrol and Airport Police Services**

As of February 29, 2020

**Audit No. 1939-A (Reference 1632-F1)
Report Date: April 6, 2020**

Recommendation Status

3

Implemented

0

In Process

0

Not Implemented

0

Closed

OC Board of Supervisors

CHAIRWOMAN MICHELLE STEEL
SECOND DISTRICT

VICE CHAIRMAN ANDREW DO
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THIRD DISTRICT

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FOURTH DISTRICT

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FIFTH DISTRICT



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Audit No. 1939-A
(Reference 1632-F1)

April 6, 2020

To: Don Barnes
Sheriff-Coroner

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit: Sheriff-Coroner Billing
of Law Enforcement Services for Harbor Patrol and Airport Police Services

We have completed a follow-up audit of Sheriff-Coroner's (OCSD) billing of law enforcement services for Harbor Patrol and Airport Police Services as of February 29, 2020, original Audit No. 1632, dated June 18, 2019. 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 OCSD implemented the three (3) recommendations. Because the recommendations were implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by OCSD 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
- Sheriff-Coroner Distribution
- Foreperson, Grand Jury
- Eide Bailly, LLP, County External Auditor

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RESULTS

FINDING NO. 1	Sheriff Timekeeping System
CATEGORY	Significant Control Weakness
RECOMMENDATION	<p><i>In the original audit, this finding and recommendation were redacted due to the sensitive nature of the finding. For the purposes of this follow-up audit, we did not issue a separate restricted report and instead will summarize our recommendation for this finding as follows:</i></p> <p>OCSD prioritize the replacement or upgrade of STS.</p>
CURRENT STATUS	<p>Implemented. We confirmed OCSD has replaced STS and fully transitioned to the automated VTI system as of December 2019. VTI is used countywide and satisfies our recommended controls.</p> <p>Based on the actions taken by OCSD, we consider this recommendation implemented.</p>

FINDING NO. 2	Segregation of Duties
CATEGORY	Control Finding
RECOMMENDATION	OCSD adequately segregate duties by assigning database administration responsibilities for the STS payroll system to an employee without payroll responsibilities.
CURRENT STATUS	<p>Implemented. Since OCSD has transitioned to the VTI payroll system, a department employee is no longer assigned database administration responsibilities. The OCSD Payroll Unit appropriately consults with VTI System Support, an independent team staffed by Auditor-Controller, for database administration.</p> <p>Based on the actions taken by OCSD, we consider this recommendation implemented.</p>



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FINDING NO. 3	Billing Policy and Procedures	
CATEGORY	Control Finding	
RECOMMENDATION	OCSD establish written policy and procedures that address the evaluation, frequency and timeliness of revision, communication, and calculation methods of billing rates.	
CURRENT STATUS	Implemented. Effective January 2020, OCSD established written policy and procedures that address the evaluation, frequency and timeliness of revision, communication, and calculation methods of billing rates. Based on the actions taken by OCSD, we consider this recommendation implemented.	
AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA, CFE Michael Dean, CPA, CIA, CISA Gianne Morgan, CIA	Assistant Director Senior Audit Manager Audit Manager



APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by OCSD as of February 29, 2020 to implement the three (3) recommendations from our original Audit No. 1632, dated June 18, 2019.
BACKGROUND	The original audit evaluated operational effectiveness of internal control over the billing process for selected law enforcement services. The original audit identified one (1) Significant Control Weakness and two (2) Control Findings.



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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>

