



INTERNAL AUDIT DEPARTMENT



Second & Final Close-Out Follow-Up Internal Control Audit: Sheriff-Coroner Special Revenue Funds

As of April 30, 2020

Audit No. 1939-O (Reference 1520-F2)
Report Date: June 1, 2020

Recommendation Status

FIRST FOLLOW-UP SECOND FOLLOW-UP

1	Implemented	1
1	In Process	0
0	Not Implemented	0
0	Closed	0

Second Follow-Up totals represent findings that were
In Process or Not Implemented at First Follow-Up

OC Board of Supervisors

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SECOND DISTRICT

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INTERNAL AUDIT DEPARTMENT

Audit No. 1939-O
(Reference 1520-F2)

June 1, 2020

To: Don Barnes
Sheriff-Coroner

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

Subject: Second & Final Close-Out Follow-Up Internal Control Audit: Sheriff-Coroner
Special Revenue Funds

We have completed a follow-up audit of Sheriff-Coroner's (OCSD) special revenue funds as of April 30, 2020, original Audit No. 1520, dated January 30, 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 OCSD implemented the one (1) remaining recommendation from the original audit. Because the recommendation was 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
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly, LLP, County External Auditor

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RESULTS

FINDING NO. 1	Overstated Operating Transfer from Fund 15L
CATEGORY	Control Finding
RECOMMENDATION	We recommend OCSD exclude Fund 15L costs when determining the actual revenue for the 800 MHz BBCS. We also recommend OCSD refund the \$329,555 to Fund 15L for the FY 2015-16 800 MHz BBCS and determine the total amount for prior years to be transferred back to Fund 15L.
CURRENT STATUS	<p>Implemented. OCSD calculated the overstated amounts from FY 2012-13 to FY 2016-17 to be approximately \$887,000, which will be refunded to Fund 15L.</p> <p>In order to process this total refund amount from Fund 060 to Fund 15L, OCSD submitted a Quarterly Budget Adjustment Request (QBAR) for Board of Supervisors approval. The Board of Supervisors approved the QBAR on April 28, 2020.</p> <p>Separately, we determined in our first follow-up audit OCSD now excludes Fund 15L costs from the actual revenue for the 800 MHz BBCS.</p> <p>Based on the actions taken by OCSD, we consider this recommendation to be implemented.</p>

AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA, CFE Michael Dean, CPA, CIA, CISA Zan Zaman, CPA, CIA Gabriela Cabrera Mari Elias, MA	Assistant Director Senior Audit Manager Audit Manager Senior Auditor Administrative Services Manager
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by OCSD as of April 30, 2020 to implement the one (1) remaining recommendation from our First Follow-Up Audit No. 1735-C, dated January 22, 2019.
BACKGROUND	The original audit evaluated operational effectiveness of internal control for the Sheriff-Coroner's Special Revenue Funds. The First Follow-Up Audit concluded OCSD implemented one (1) recommendation and was in process of implementing one (1) recommendation.



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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.

