



INTERNAL AUDIT DEPARTMENT



First Follow-Up Internal Control Audit: OC Public Works' Facilities Operations & Custodial Billing

As of May 31, 2020

Audit No. 1939-E (Reference 1734-F1)
Report Date: June 26, 2020

Recommendation Status

1

Implemented

2

In Process

0

Not Implemented

0

Closed

OC Board of Supervisors

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SECOND DISTRICT

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Audit No. 1939-E
(Reference 1734-F1)

June 26, 2020

To: James Treadaway, Director
OC Public Works

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

Subject: First Follow-Up Internal Control Audit: OC Public Works' Facilities Operations & Custodial Billing

We have completed a follow-up audit of OC Public Works' (OCPW) Facilities Operations and Custodial Billing as of May 31, 2020, original Audit No. 1734, dated September 19, 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 OCPW implemented one (1) recommendation and is in the process of implementing two (2) recommendations. A second follow-up audit will be performed in approximately six months, and a follow-up audit report form is attached to facilitate that audit. Any recommendations not implemented or in process at that time will be brought to the attention of the Audit Oversight Committee at its next scheduled meeting.

We appreciate the assistance extended to us by OCPW 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
- OC Public Works Distribution
- Auditor-Controller Satellite Accounting Operations 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	Billing Rate Administration
CATEGORY	Control Finding
RECOMMENDATION	OCPW conduct a periodic review of indirect rates and update rates, as needed, and establish written policy and procedures that address the evaluation, frequency, and timeliness of revision, communication, and calculation methods of billing rates.
CURRENT STATUS	<p>Implemented. We confirmed that OCPW completed a review of and updated indirect rates effective May 2020. In addition, OCPW established written policy and procedures that address the evaluation, frequency, and timeliness of revision, communication, and calculation methods of billing rates.</p> <p>Based on the actions taken by OCPW, we consider this recommendation implemented.</p>

FINDING NO. 2	Work Order Management System User Access
CATEGORY	Control Finding
RECOMMENDATION	OCPW perform a formal management user-access certification review for appropriateness to ensure access is restricted to individuals with a direct business need and access no longer required is disabled.
CURRENT STATUS & PLANNED ACTION	<p>In Process. OCPW completed a review of MaintStar users in July 2019 and completes periodic verification of authorized approvers for the OC Facilities Work Request System (FM Application). However, two of the four users identified in our initial audit finding as no longer requiring access, remain listed as users on the MaintStar user listing.</p> <p>Both systems will be replaced by the AssetWorks system, which is scheduled for transition starting in summer 2020. The administration of access to this system is consistent with OCIT SSO (single sign-on authentication) guidelines and is administered by OCIT. The SSO guidelines will help ensure access is restricted to individuals with a direct business need.</p> <p>Based on the actions taken by OCPW, we consider this recommendation in process.</p>



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FINDING NO. 3	Password Configuration Policy for Work Order Systems
CATEGORY	Control Finding
RECOMMENDATION	OCPW implement or enable password policy features in the FM Application and MaintStar so that the work order systems conform to the County's password policy, where technically feasible, and seek a feature that requires automated mandatory password changes in any future upgrade or replacement of MaintStar.
CURRENT STATUS & PLANNED ACTION	<p>In Process. OCPW is replacing the FM and MaintStar application with the AssetWorks system, which is scheduled for transition starting in summer 2020. The administration of access to this system is consistent with OCIT SSO (single sign-on authentication) guidelines and is administered by OCIT. The SSO guidelines meet the password policy features required in our recommendation.</p> <p>Based on the actions taken by OCPW, we consider this recommendation in process.</p>

AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA, CFE Michael Dean, CPA, CIA, CISA Gianne Morgan, CIA Virginia Nguyen, CPA 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 OCPW as of May 31, 2020 to implement the three (3) recommendations from our original Audit No. 1734, dated September 19, 2019.
BACKGROUND	The original audit evaluated effectiveness of internal control over the billing process for Facilities Operations and Custodial services to County departments. The original audit identified three (3) Control Findings.



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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.

