



# INTERNAL AUDIT DEPARTMENT



## Second & Final Close-Out Follow-Up Internal Control Audit: Countywide Audit of County Business Travel and Meeting Policy - County Executive Office

As of June 23, 2020

Audit No. 1839-P (Reference 1626-A-F2)  
Report Date: July 9, 2020

### Recommendation Status

#### FIRST FOLLOW-UP      SECOND FOLLOW-UP

<b>1</b>	<b>Implemented</b>	<b>2</b>
<b>2</b>	<b>In Process</b>	<b>0</b>
<b>0</b>	<b>Not Implemented</b>	<b>0</b>
<b>0</b>	<b>Closed</b>	<b>0</b>

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

## OC Board of Supervisors

CHAIRWOMAN MICHELLE STEEL  
SECOND DISTRICT

VICE CHAIRMAN ANDREW DO  
FIRST DISTRICT

SUPERVISOR DONALD P. WAGNER  
THIRD DISTRICT

SUPERVISOR DOUG CHAFFEE  
FOURTH DISTRICT

SUPERVISOR LISA A. BARTLETT  
FIFTH DISTRICT



## INTERNAL AUDIT DEPARTMENT

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Audit No. 1839-P  
(Reference 1626-A-F2)

July 9, 2020

To: Frank Kim  
County Executive Officer

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 and Meeting Policy – County Executive Office

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We have completed a follow-up audit of the County Executive Office (CEO) expenditures governed by the County Business Travel and Meeting Policy as of June 23, 2020, original Audit No. 1626-A, dated February 7, 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 CEO implemented the two (2) 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 CEO 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
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor

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## RESULTS

<b>FINDING NO. 1</b>	<b>No Policy and Procedures for Business Travel and Meeting Administration</b>	
<b>CATEGORY</b>	<b>Control Finding</b>	
<b>RECOMMENDATION</b>	We recommend CEO develop detailed policies and procedures regarding business travel and meeting expenditures that all areas of CEO can utilize.	
<b>CURRENT STATUS</b>	<b>Implemented.</b> CEO developed draft department-wide policy and procedures (P&Ps), which is pending final approval. Due to the current COVID-19 crisis, the review process is on hold. Although the internal P&Ps are still in review, the department currently follows the new procedure.  Based on the actions taken by CEO, we consider this recommendation implemented.	
<b>FINDING NO. 3</b>	<b>Policy Regarding Mileage and Other Expenses Claim Form Submission</b>	
<b>CATEGORY</b>	<b>Control Finding</b>	
<b>RECOMMENDATION</b>	We recommend CEO modify the Travel Policy to clarify the timeframe in which Mileage and Other Expenses Claim forms must be submitted to the Auditor-Controller.	
<b>CURRENT STATUS</b>	<b>Implemented.</b> CEO completed a revision of the County Business Travel and Meeting Policy, which clarifies the timeframe in which Mileage and Other Expenses Claim forms must be submitted to the Auditor-Controller. The revised policy was submitted to the Board and approved on September 24, 2019 (Board Resolution 19-092).  Based on the actions taken by CEO, we consider this recommendation implemented.	
<b>AUDIT TEAM</b>	Scott Suzuki, CPA, CIA, CISA, CFE Michael Dean, CPA, CIA, CISA Gianne Morgan, CIA Alejandra Hernandez	Assistant Director Senior Audit Manager Audit Manager Senior Auditor



## APPENDIX A: ADDITIONAL INFORMATION

<b>SCOPE</b>	Our follow-up audit was limited to reviewing actions taken by CEO as of June 23, 2020 to implement the two (2) remaining recommendations from our First Follow-Up Audit No. 1839-A, dated December 13, 2018.
<b>BACKGROUND</b>	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 CEO implemented (1) recommendation and was in process of implementing two (2) 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.

