

# Internal Audit Department

O R A N G E C O U N T Y  
6<sup>th</sup> Largest County in the USA

## **FINAL CLOSE-OUT** SECOND FOLLOW-UP AUDIT SPECIAL REQUEST COUNTYWIDE AUDIT OF EMPLOYEE CASH ADVANCES

AS OF OCTOBER 31, 2013

222 OUTSTANDING TRAVEL CASH  
ADVANCES TOTALING \$97,489  
DURING THE ORIGINAL AUDIT  
PERIOD

Our Second Follow-Up Audit found that County departments and agencies took satisfactory corrective action to implement two (2) recommendations and five (5) recommendations are closed.

The original audit contained twenty-four (24) recommendations. During our First Follow-Up Audit Report dated April 3, 2013, seventeen (17) recommendations were fully implemented.

AUDIT NO: 1056-F2  
(REFERENCE 1321)  
(ORIGINAL AUDIT NOS. 1056 & 1218-B)

REPORT DATE: FEBRUARY 6, 2014

**Director:** Dr. Peter Hughes, CPA, CIA  
Senior Audit Manager: Alan Marcum, CPA, CIA  
Audit Manager: Lisette Free, CPA, CFE

### RISK BASED AUDITING



GAO & IIA Peer Review Compliant – 2001, 2004, 2007, 2010

American Institute of Certified Public Accountants Award to Dr. Peter Hughes as 2010 Outstanding CPA of the Year for Local Government

GRC (Government, Risk & Compliance) Group 2010 Award to IAD as MVP in Risk Management



2009 Association of Certified Fraud Examiners' Hubbard Award to Dr. Peter Hughes for the Most Outstanding Article of the Year – Ethics Pays



2008 Association of Local Government Auditors' Bronze Website Award



2005 Institute of Internal Auditors' Award to IAD for Recognition of Commitment to Professional Excellence, Quality, and Outreach



ORANGE COUNTY BOARD OF SUPERVISORS'  
**Internal Audit Department**

*GAO & IIA Peer Review Compliant - 2001, 2004, 2007, 2010*

*Providing Facts and Perspectives Countywide*

**RISK BASED AUDITING**

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OC Internal Audit Department, visit our website: [www.ocgov.com/audit](http://www.ocgov.com/audit)



**OC Fraud Hotline (714) 834-3608**



## Transmittal Letter



**Audit No. 1056-F2 February 6, 2014**

**TO:** Members, Board of Supervisors  
County Department/Agency Heads

**FROM:** Dr. Peter Hughes, CPA, Director  
Internal Audit Department

**SUBJECT:** **Second and Final Close-Out** Follow-Up Audit:  
Special Request Countywide Audit of  
Employee Cash Advances, Original Audit No.  
1056, Issued January 27, 2012

We have completed a Second Follow-Up Audit: Special Request Countywide Audit of Employee Cash Advances. Our audit was limited to reviewing, as of October 31, 2013, actions taken to implement **seven (7) recommendations** remaining from our First Follow-Up Audit report dated April 3, 2013. We conducted this Second Follow-Up Audit in accordance with the *FY 13-14 Audit Plan and Risk Assessment* approved by the Audit Oversight Committee and Board of Supervisors (BOS).

The results of our Second Follow-Up Audit are discussed in the **OC Internal Auditor's Report** following this transmittal letter. Our Second Follow-Up Audit found that County departments and agencies **implemented the remaining two (2) recommendations** and **five (5) recommendations have been closed**. **As such, this report represents the final close-out of the original audit.**

Each month I submit an **Audit Status Report** to the BOS where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

Other recipients of this report are listed on the **OC Internal Auditor's Report** on page 10.

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***Second and Final Close-Out Follow-Up Audit:  
Special Request Countywide Audit of  
Employee Cash Advances  
Audit No. 1056-F2***

As of October 31, 2013

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# OC Internal Auditor's Report



Audit No. 1056-F2

February 6, 2014

TO: Members, Board of Supervisors  
County Department/Agency Heads

FROM: Dr. Peter Hughes, CPA, Director  
Internal Audit Department

SUBJECT: **Second and Final Close-Out** Follow-Up Audit: Special Request Countywide Audit of Employee Cash Advances, Original Audit No. 1056, Issued January 27, 2012

## Scope of Review

We have completed a Second Follow-Up Audit: Special Request Countywide Audit of Employee Cash Advances. Our audit was limited to reviewing, as of October 31, 2013, actions taken to implement seven (7) remaining recommendations from our First Follow-Up Audit No. 1218-B, issued April 3, 2013.

## Background

The original audit evaluated internal controls and processes over the claiming of employee cash advances to determine compliance with related County Accounting Manual (CAM) procedures (C-1 Cash Advances – Revolving Funds and C-7 Revolving Cash Funds), County Travel Policies, and Internal Revenue Service (IRS) Regulations. During the original audit period, seven (7) County Departments and agencies had 222 outstanding travel cash advances made to employees totaling \$97,489 which were subsequently claimed and finalized.

## Results

Our Second Follow-Up Audit found County departments and agencies took satisfactory corrective action to implement two (2) recommendations and five (5) recommendations are closed. **This report represents the final close-out of the original audit.**

Based on the Follow-Up Audit we conducted, the following is the implementation status of the twenty-four (24) original recommendations. The item number from the original report is shown before each heading.

### 1. Expense Claims Not Submitted Within Five (5) Working Days – Sheriff-Coroner – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.2.1 (Significant Control Weakness)

**Recommendation No. 1:** We recommend that the Sheriff-Coroner ensure employees are submitting a *Mileage & Other Expenses Claim Form* within five (5) working days as required by CAM C-1 Section 2.2.1.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** A handout was developed which summarizes the procedures to close out travel cash advances. This handout is distributed to staff upon receiving their cash advances.



For a recent Sheriff-Coroner *Revolving Cash Fund/Cash Advance Reimbursement*, we tested the *Mileage & Other Expenses Claim Forms* and determined that they were submitted within five (5) working days as required by CAM C-1 Section 2.2.1. As such, we consider this recommendation fully implemented.

**2. Expense Claims Not Submitted Within Five (5) Working Days – Assessor – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.2.1 (Significant Control Weakness)**

**Recommendation No. 2:** We recommend that the Assessor ensure employees are submitting a *Mileage & Other Expenses Claim Form* within five (5) working days as required by CAM C-1 Section 2.2.1.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** An internal memo from the Assessor's office was distributed to staff on 7/16/12 regarding the requirement to turn in *Mileage & Other Expenses Claim Forms* within five working days after their travel.

We selected two Assessor *Revolving Cash Fund/Cash Advance Reimbursement* (dated 2/29/12 and 12/14/12), we tested the *Mileage & Other Expenses Claim Forms* and determined that they were submitted within five (5) working days as required by CAM C-1 Section 2.2.1. As such, we consider this recommendation fully implemented.

**3. Expense Claims Not Submitted Within Five (5) Working Days – Probation Department – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.2.1 (Significant Control Weakness)**

**Recommendation No. 3:** We recommend that the Probation Department ensure employees are submitting a *Mileage & Other Expenses Claim Form* within five (5) working days as required by CAM C-1 Section 2.2.1.

Current Status: **Implemented (Second Follow-Up Audit).** We noted the Probation Department has policies and procedures to ensure employees are submitting a *Mileage & Other Expenses Claim Form* within five (5) working days. In addition, the Probation Department has a tracking system in place to ensure claims over five (5) working days, if any, are limited and efforts are made to mitigate outstanding cash advances. Therefore, we consider this recommendation to be fully implemented.

**4. Expense Claims Not Submitted Within Five (5) Working Days – District Attorney – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.2.1 (Significant Control Weakness)**

**Recommendation No. 4:** We recommend that the District Attorney ensure employees are submitting a *Mileage & Other Expenses Claim Form* within five (5) working days as required by CAM C-1 Section 2.2.1.



Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** The District Attorney changed its current procedure effective November 1, 2011 to include sending a notification email to employees on their last day of the travel event requesting a *Mileage & Other Expenses Claim Form* be submitted by the 5<sup>th</sup> working day after completion of the travel event.

For a recent District Attorney *Revolving Cash Fund/Cash Advance Reimbursement*, we tested the *Mileage & Other Expenses Claim Forms* and determined that they were submitted within five (5) working days as required by CAM C-1 Section 2.2.1. As such, we consider this recommendation fully implemented.

**5. Expense Claims Not Submitted Within 30 Days – Sheriff-Coroner – Noncompliance with CAP 017-02 County Business Travel and Reimbursement of Related Expenses Policy and BOS Resolution #05-265 Expense & Reimbursement Policy for Elected Officials (Significant Control Weakness)**

**Recommendation No. 5:** We recommend that the Sheriff-Coroner ensure employees are submitting a *Mileage & Other Expenses Claim Form* within thirty (30) days from the end of the travel event as required by CAP 017-02 Section 18.6.1.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** A reminder of the expense claim procedures was distributed to staff department wide. The Travel Unit now actively monitors the status of outstanding cash advances and contacts those individuals who have not submitted their travel claims within five (5) days of the date of return from travel.

For a recent Sheriff-Coroner *Revolving Cash Fund/Cash Advance Reimbursement*, we tested the *Mileage & Other Expenses Claim Forms* and determined that they were submitted within thirty (30) days from the end of the travel event as required by CAP 017-02 Section 18.6.1. As such, we consider this recommendation fully implemented.

**6. Expense Claims Not Submitted Within 30 Days – Assessor – Noncompliance with CAP 017-02 County Business Travel and Reimbursement of Related Expenses Policy and BOS Resolution #05-265 Expense & Reimbursement Policy for Elected Officials (Significant Control Weakness)**

**Recommendation No. 6:** We recommend that the Assessor submit a *Mileage & Other Expenses Claim Form* within thirty (30) days of the expense being incurred as required by BOS Res. #05-265 Section D.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** We tested a recent *Mileage & Other Expenses Claim Form* from the elected Assessor and found it was submitted within thirty (30) days of the expense being incurred as required by BOS Res. #05-265 Section D. As such, we consider this recommendation fully implemented.





**7. Expense Claims Not Submitted Within 30 Days – District Attorney – Noncompliance with CAP 017-02 County Business Travel and Reimbursement of Related Expenses Policy and BOS Resolution #05-265 Expense & Reimbursement Policy for Elected Officials (Significant Control Weakness)**

**Recommendation No. 7:** We recommend that the District Attorney ensure employees are submitting a *Mileage & Other Expenses Claim Form* within thirty (30) days from the end of the travel event as required by CAP 017-02 Section 18.6.1.

Status as of August 12, 2012: **Implemented (First Follow-Up Audit).** The District Attorney changed its current procedure effective November 1, 2011 to include sending a notification email to employees on their last day of the travel event requesting a *Mileage & Other Expenses Claim Form* be submitted by the 5<sup>th</sup> working day after completion of the travel event.

For a recent District Attorney *Revolving Cash Fund/Cash Advance Reimbursement*, we tested the *Mileage & Other Expenses Claim Forms* and determined that they were submitted within thirty (30) days from the end of the travel event as required by CAP 017-02 Section 18.6.1. As such, we consider this recommendation fully implemented.

**8. Taxable Compensation – Sheriff-Coroner – Noncompliance with CAP 017-02 County Business Travel and Reimbursement of Related Expenses Policy and IRS Code 1.62-2 Reimbursements and Other Expense Allowance Arrangements (Significant Control Weakness)**

**Recommendation No. 8:** We recommend that the Sheriff-Coroner ensure that, if travel expenses are not substantiated by the employee within 60 days of the completion of the travel event, the appropriate steps are taken to treat the amount as compensation to the employee subject to withholding and payment of taxes as required by IRS Code Section 1.62-2 and CAP 017-02 Section 18.6.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** Sheriff-Coroner has implemented policies and procedures to ensure travel expenses are substantiated by the employee within 60 days of the completion of the travel event. We tested a recent *Delinquent Advances Voucher Report* and noted no advances were outstanding more than fourteen (14) days. As such, we consider this recommendation fully implemented.

**9. Taxable Compensation – Assessor – Noncompliance with CAP 017-02 County Business Travel and Reimbursement of Related Expenses Policy and IRS Code 1.62-2 Reimbursements and Other Expense Allowance Arrangements (Significant Control Weakness)**

**Recommendation No. 9:** We recommend that the Assessor ensure that, if travel expenses are not substantiated by the employee within 60 days of the completion of the travel event, the appropriate steps are taken to treat the amount as compensation to the employee subject to withholding and payment of taxes as required by IRS Code Section 1.62-2 and CAP 017-02 Section 18.6.





Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** Assessor has implemented policies and procedures to ensure travel expenses are substantiated by the employee within 60 days of the completion of the travel event. We tested *Mileage & Other Expenses Claim Forms* submitted with the 12/14/12 *Revolving Cash Fund/Cash Advance Reimbursement* and noted advances were not outstanding more than sixty (60) days. As such, we consider this recommendation fully implemented.

## 10. Disclosure & Certification of Outstanding Advances – Sheriff-Coroner – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Sections 2.6 and 2.8 (Control Finding)

**Recommendation No. 10:** We recommend that Sheriff-Coroner ensure the amount of outstanding cash advances is disclosed and certified on the *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope submitted to the Auditor-Controller Claims and Disbursing Section in accordance with CAM C-1 Sections 2.6 and 2.8 requirements.

Current Status: **Implemented (Second Follow-Up Audit).** It was brought to our attention by the Sheriff-Coroner that this recommendation was implemented prior to the issuance of the First Follow-Up Audit Report. The status was inadvertently reported as Not Yet Implemented. We reviewed a recent *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope prepared by Sheriff-Coroner and noted the amount of outstanding cash advances over 30 days is disclosed on the *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope submitted to the Auditor-Controller Claims and Disbursing Section in accordance with CAM C-1 Sections 2.6 and 2.8 requirements. As such, we consider this recommendation fully implemented.

## 11. Disclosure & Certification of Outstanding Advances – Probation Department – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Sections 2.6 and 2.8 (Control Finding)

**Recommendation No. 11:** We recommend that Probation Department ensure the amount of outstanding cash advances is disclosed and certified on the *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope submitted to the Auditor-Controller Claims and Disbursing Section in accordance with CAM C-1 Sections 2.6 and 2.8 requirements.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** For a recent Probation *Revolving Cash Fund/Cash Advance Reimbursement*, we determined the amount of outstanding cash advances is disclosed and certified. In addition, Auditor-Controller is in the process of revising the policy to make the completion of the various sections of the *Revolving Cash Fund/Cash Advance Reimbursement* form at the discretion of the department. As such, we consider this recommendation fully implemented.



## 12. Disclosure & Certification of Outstanding Advances – Assessor – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Sections 2.6 and 2.8 (Control Finding)

**Recommendation No. 12:** We recommend that Assessor ensure the amount of outstanding cash advances is disclosed and certified on the *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope submitted to the Auditor-Controller Claims and Disbursing Section in accordance with CAM C-1 Sections 2.6 and 2.8 requirements.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** For a recent Assessor *Revolving Cash Fund/Cash Advance Reimbursement*, we determined the amount of outstanding cash advances is disclosed and certified. In addition, Auditor-Controller is in the process of revising the policy to make the completion of these sections of the *Revolving Cash Fund/Cash Advance Reimbursement* form at the discretion of the department. As such, we consider this recommendation fully implemented.

## 13. Disclosure & Certification of Outstanding Advances – District Attorney – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Sections 2.6 and 2.8 (Control Finding)

**Recommendation No. 13:** We recommend that District Attorney ensure the amount of outstanding cash advances is disclosed and certified on the *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope submitted to the Auditor-Controller Claims and Disbursing Section in accordance with CAM C-1 Sections 2.6 and 2.8 requirements.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** For a recent District Attorney *Revolving Cash Fund/Cash Advance Reimbursement*, we determined the amount of outstanding cash advances is disclosed and certified. In addition, Auditor-Controller is in the process of revising the policy to make the completion of these sections of the *Revolving Cash Fund/Cash Advance Reimbursement* form at the discretion of the department. As such, we consider this recommendation fully implemented.

## 14. Disclosure & Certification of Outstanding Advances – OC Waste & Recycling – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Sections 2.6 and 2.8 (Control Finding)

**Recommendation No. 14:** We recommend that OC Waste & Recycling ensure the amount of outstanding cash advances is disclosed and certified on the *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope submitted to the Auditor-Controller Claims and Disbursing Section in accordance with CAM C-1 Sections 2.6 and 2.8 requirements.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** For a recent OC Waste & Recycling *Revolving Cash Fund/Cash Advance Reimbursement*, we determined the amount of outstanding cash advances is disclosed and certified. In addition, Auditor-Controller is in the process of revising the policy to make the completion of these sections of the *Revolving Cash Fund/Cash Advance Reimbursement* form at the discretion of the department. As such, we consider this recommendation fully implemented.



## 15. Disclosure & Certification of Outstanding Advances OC: Public Works – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Sections 2.6 and 2.8 (Control Finding)

**Recommendation No. 15:** We recommend that OC Public Works ensure the amount of outstanding cash advances is disclosed and certified on the *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope submitted to the Auditor-Controller Claims and Disbursing Section in accordance with CAM C-1 Sections 2.6 and 2.8 requirements.

**Current Status: Closed (Second Follow-Up Audit).** We reviewed recent *Revolving Cash Fund/Cash Advance Reimbursement* claim envelopes prepared by OC Public Works and noted the amount of one (1) cash advance outstanding over 30 days (\$740) was not disclosed on the *Revolving Cash Fund/Cash Advance Reimbursement* claim envelope submitted to the Auditor-Controller Claims and Disbursing Section in accordance with CAM C-1 Sections 2.6 and 2.8 requirements. However, the cash advance outstanding over 30 days is due to an employee currently on medical leave. In addition, OCPW has instructed staff to begin disclosing and certifying outstanding cash advances over 30 days. As such, we consider this recommendation closed.

## 16. A-C/Claims Monitoring of Outstanding Advances (Control Finding)

**Recommendation No. 16:** We recommend that the Auditor-Controller review the *Revolving Cash Fund/Cash Advance Reimbursement* forms and fund reconciliation for outstanding cash advances to ensure compliance with CAM C-7/C-1, County travel policies, and IRS regulations and also consider whether the departments/agencies should provide detail supporting documentation of outstanding cash advances to facilitate A-C/Claims review.

**Current Status: Closed (Second Follow-Up Audit).** The Auditor-Controller is in the process of modifying the *Revolving Cash Fund/ Cash Advance Reimbursement* form to include a section for the department to report outstanding cash advances 60 days overdue, consistent with IRS regulations. Additionally, the completion of the fund reconciliation, Total Revolving Fund Authorized Amount section of the *Revolving Cash Fund/Cash Advance Reimbursement* form, is at the discretion of the department and therefore will be removed from the form. CAM procedures will be updated by February 28, 2014. Revised policies and procedures will be forwarded to the Internal Audit Department upon completion. As such, we consider this recommendation closed.

## 17. Certification of No Advances Outstanding – Sheriff-Coroner – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.6 (Significant Control Weakness)

**Recommendation No. 17:** We recommend that Sheriff-Coroner inform the department head of cash advances outstanding for more than 30 days after completion of the travel event and ensure outstanding cash advances are being actively pursued for collection at the earliest possible time in accordance with CAM C-1 Section 2.6 requirements.

**Status as of August 31, 2012: Implemented (First Follow-Up Audit).** Sheriff-Coroner has implemented policies and procedures to inform the department head of cash advances



outstanding for more than 30 days after completion of the travel event and ensure outstanding cash advances are being actively pursued for collection at the earliest possible time in accordance with CAM C-1 Section 2.6 requirements. We reviewed a recent *Delinquent Advances Voucher Report* and noted no advances were outstanding more than fourteen (14) days. As such, we consider this recommendation fully implemented.

## 18. Payroll Deductions – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.1.2 (Control Finding)

**Recommendation No. 18:** We recommend that the Auditor-Controller clarify the CAM C-1 accounting procedure to include steps for departments/agencies to follow for implementing the Section 2.1.2 provision to deduct outstanding cash advances from amounts due to the employee; i.e. payroll garnishment.

Current Status: **Closed (Second Follow-Up Audit).** The Auditor-Controller received feedback from County Counsel on October 18, 2013 regarding the cash advance garnishment language. According to County Counsel, the County cannot use the garnishment language to deduct outstanding cash advances from amounts due to an employee; i.e. payroll garnishment. As such, the Auditor-Controller is in the process of removing the garnishment language from the form by February 28, 2014. Revised policies and procedures will be forwarded to the Internal Audit Department upon completion. As such, we consider this recommendation closed.

## 19. Subsequent Travel Cash Advances Issued to Employees with Outstanding Cash Advances (Control Finding)

**Recommendation No. 19:** We recommend that the Auditor-Controller consider adding a provision to the CAM C-1 *Cash Advances – Revolving Funds* accounting procedure prohibiting the issuance of subsequent travel cash advances to employees with outstanding cash advance claims.

Current Status: **Closed (Second Follow-Up Audit).** The Auditor-Controller is in the process of updating the accounting procedure and will be adding language advising departments to consider not issuing subsequent cash advances to an employee with outstanding cash advance claims by February 28, 2014. Revised policies and procedures will be forwarded to the Internal Audit Department upon completion. As such, we consider this recommendation closed.

## 20. Consistency of Travel Policies (Control Finding)

**Recommendation No. 20:** We recommend that the Auditor-Controller consider revising CAMs C-1 *Cash Advances – Revolving Funds* and C-7 *Revolving Cash Fund* to incorporate pertinent travel policies related to timeliness of claims submission, as noted above.



Current Status: **Closed (Second Follow-Up Audit).** The Auditor-Controller is in the process of updating the procedures to include references to the travel policies by February 28, 2014. Revised policies and procedures will be forwarded to the Internal Audit Department upon completion. As such, we consider this recommendation closed.

## 21. Cash Repayment of Unused Cash Advances – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.3 (Control Finding)

**Recommendation No. 21:** We recommend that Sheriff-Coroner ensure repayment of unused cash advances are made in the form of a personal check as required by CAM C-1 Section 2.3 or consult with Auditor-Controller to determine alternative acceptable procedures.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** Sheriff-Coroner discussed this procedure with Auditor-Controller and determined that cash payments will be allowed for repayment of unused cash advances. The Auditor-Controller will update the CAM C-1 procedures to reflect this. As such, we consider this recommendation fully implemented.

## 22. Revolving Fund Custodian Was Not Completing the Cash Advance Request Form – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.4 (Control Finding)

**Recommendation No. 22:** We recommend that Sheriff-Coroner ensure the revolving fund custodian immediately documents the receipt of *Mileage and Other Expenses Claim Forms* and the receipt and amount of repayment of unused cash advances on the *Cash Advance Request* form as required by CAM C-1 Section 2.4.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** Sheriff-Coroner has implemented policies and procedures to ensure the fund custodian documents the receipt of claim forms and the receipt and amount of repayment of unused cash advances on the *Cash Advance Request* form as required by CAM C-1 Section 2.4. We reviewed recent *Cash Advance Request* forms and noted they were signed and dated. As such, we consider this recommendation fully implemented.

## 23. Untimely Deposits – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.4 (Control Finding)

**Recommendation No. 23:** We recommend that Sheriff-Coroner ensure the revolving fund custodian immediately verifies and documents the receipt of repayments of unused cash advances and deposits the repayments to the bank account in a timely manner as required by CAM C-1 Section 2.4.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** Sheriff-Coroner has implemented policies and procedures to ensure that all travel claims involving the repayment of unused cash advances are verified immediately upon receipt and the funds are promptly deposited in the bank as required by CAM C-1 Section 2.4.





We reviewed recent *Cash Advance Request* forms and noted the Sheriff-Coroner documented the receipt of repayments. As such, we consider this recommendation fully implemented.

## 24. Expense Claims Dated Incorrectly – Noncompliance with CAM C-1 Cash Advances – Revolving Funds Section 2.2.1 (Control Finding)

**Recommendation No. 24:** We recommend that Sheriff-Coroner ensure employees date the *Mileage and Other Expenses Claim Form* with the date the claim is submitted along with all required supporting documentation and any repayment of unused cash advance, to ensure compliance with CAM C-1, Section 2.2.1.

Status as of August 31, 2012: **Implemented (First Follow-Up Audit).** For a recent Sheriff-Coroner *Revolving Cash Fund/Cash Advance Reimbursement*, we determined the *Mileage & Other Expenses Claim Forms* were dated and the claim was submitted along with all required supporting documentation and any repayment of unused cash advance, to ensure compliance with CAM C-1, Section 2.2.1. As such, we consider this recommendation fully implemented.

We appreciate the assistance extended to us by the Assessor, Auditor-Controller, District Attorney, Probation Department, OC Public Works, OC Waste & Recycling, and Sheriff-Coroner during our Follow-Up Audit. If you have any questions, please contact me directly at 834-5475 or Alan Marcum, Senior Audit Manager at 834-4119.

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Audit Oversight Committee  
Michael B. Giancola, County Executive Officer  
Mark Denny, Chief Operating Officer  
Michael Kerr, Assistant to the Chief Operating Officer  
Jessica O'Hare, Assistant to the Chief Operating Officer  
Foreperson, Grand Jury  
Susan Novak, Clerk of the Board of Supervisors  
Macias Gini & O'Connell LLP, County External Auditors