



# INTERNAL AUDIT DEPARTMENT



**First & Final Close-Out  
Follow-Up Internal Control Audit:  
Countywide Audit of  
County Business Travel and Meeting Policy -  
Registrar of Voters**

**As of June 30, 2018**

**Audit No. 1735-J (Reference 1626-F-F1)  
Report Date: September 27, 2018**

## Recommendation Status

**6**

**Implemented**

**0**

**In Process**

**0**

**Not Implemented**

**0**

**Closed**

## OC Board of Supervisors

Chairman Andrew Do  
1st District

Vice Chairman Shawn Nelson  
4th District

Supervisor Michelle Steel  
2nd District

Supervisor Todd Spitzer  
3rd District

Supervisor Lisa Bartlett  
5th District



## INTERNAL AUDIT DEPARTMENT

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Audit No. 1735-J  
(Reference 1626-F-F1)

September 27, 2018

To: Neal Kelley  
Registrar of Voters

From: Scott Suzuki, CPA, Acting Director  
Internal Audit Department

Subject: First & Final Close-Out Follow-Up Internal Control Audit:  
Countywide Audit of County Business Travel & Meeting Policy –  
Registrar of Voters

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We have completed a follow-up audit of Registrar of Voters (ROV) County Business Travel & Meeting Policy as of June 30, 2018, original Audit No. 1626-F, dated December 5, 2017. Details of our results immediately follow this letter. Additional information including background and our scope are included in Appendix A.

Our first follow-up audit found that the ROV implemented all six (6) recommendations. Because all recommendations have been implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by ROV personnel during our follow-up audit. If you have any questions, please contact me at 714.834.5509 or Michael Dean, Senior Audit Manager, at 714.834.4101.

### Attachments

#### Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Registrar of Voters Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Vavrinek, Trine, Day & Co., LLP, County External Auditor

# INTERNAL AUDIT DEPARTMENT

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 Registrar of Voters develop detailed policies and procedures regarding business travel and meeting expenditures.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> ROV has developed a documented department-specific policy and procedure regarding business travel and meeting expenditures. The policy and procedure has been distributed to staff and is available on the ROV intranet site.</p> <p>Because of the actions taken by ROV, we consider this recommendation implemented.</p>

<b>FINDING No. 2</b>	<b>Inadequate Duties Segregation for the Revolving Cash Fund</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	We recommend Registrar of Voters ensure revolving fund purchases are approved by an authorized person who does not have revolving fund custodian, check signer, or reconciliation duties.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> ROV has established appropriate revolving fund staff assignments. The one assigned voucher approver does not have revolving fund custodian, check signer, or reconciliation duties.</p> <p>Additionally, we reviewed eight revolving fund transactions and noted an authorized person who does not have revolving fund custodian, check signer, or reconciliation duties approved the voucher. Furthermore, all checks were signed by an authorized signer, and the replenishment packet was approved by the Registrar of Voters.</p> <p>Because of the actions taken by ROV, we consider this recommendation implemented.</p>



# INTERNAL AUDIT DEPARTMENT

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<b>FINDING No. 3</b>	<b>Cal-Card Single Purchase Limit Exceeded for Purchase of Items Under Existing Contract</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	We recommend Registrar of Voters ensure single purchase limits are not exceeded and that Cal-Cards are not used to purchase items under existing contract.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> We reviewed the Cal-Card (T-card) statement and account summary report for the months January 2018 and May 2018, and found that no single purchase limits were exceeded. Additionally, there did not appear to be any purchases for items under an existing contract.</p> <p>Because of the actions taken by ROV, we consider this recommendation implemented.</p>

<b>FINDING No. 4</b>	<b>Business Meeting Policy Certification Form Not Used</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	We recommend Registrar of Voters ensure a Business Meeting Policy Certification form is completed and approved for all business meeting expenditures.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> ROV has developed and documented departmental policies and procedures regarding documentation requirements for any purchase that requires the use of the Business Meeting Policy Certification form. The policy requires advance approval from the ROV for any purchase of recognition/promotional item(s) as well as any refreshment/light snack(s) or nominal meal(s). The approval includes completion of the County's Business Meeting Policy Certification Form.</p> <p>Additionally, we examined documents for nine business meeting expenditures and found that all nine transactions had a completed and approved Business Meeting Policy Certification form.</p> <p>Because of the actions taken by ROV, we consider this recommendation implemented.</p>



# INTERNAL AUDIT DEPARTMENT

<b>FINDING No. 5</b>	<b>Incorrect Cal-Card Type Selected for Certain Purchases</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	We recommend Registrar of Voters ensure each Cal-Card type is only used for authorized purposes.
<b>CURRENT STATUS</b>	<b>Implemented.</b> We reviewed the Cal-Card (Travel/T-card) statement and account summary report for the months of January 2018 and May 2018, and found that no unauthorized purchases were made on the Cal-Cards. Only travel-related and food expenditures were made on the T-card, as prescribed by the Cal-Card policy. The Purchasing/P-card was used for business related recognition items, as well as other authorized non-travel or non-food related purchases.  Because of the actions taken by ROV, we consider this recommendation implemented.

<b>FINDING No. 6</b>	<b>Supporting Documentation Not Canceled</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	We recommend Registrar of Voters ensure supporting documentation for travel expenditures is properly canceled (marked as "paid").
<b>CURRENT STATUS</b>	<b>Implemented.</b> ROV procured a "paid" stamp for use in canceling revolving fund supporting documentation. We reviewed eight revolving fund transactions. For all eight transactions, the supporting documentation was properly canceled (marked as "paid").  Because of the actions taken by ROV, we consider this recommendation implemented.

<b>AUDIT TEAM</b>	Michael Dean, CPA, CIA, CISA Gianne Acosta	Senior Audit Manager Senior Auditor
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# INTERNAL AUDIT DEPARTMENT

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## APPENDIX A: ADDITIONAL INFORMATION

<b>SCOPE</b>	Our follow-up audit was limited to reviewing actions taken as of June 30, 2018 to implement the six (6) recommendations from our original Audit No. 1626-F, dated December 5, 2017.
<b>BACKGROUND</b>	The original audit evaluated operational effectiveness of internal control for expenditures governed by the County Business Travel and Meeting Policy and compliance of expenditures with County policy. The original audit identified six (6) Control Findings.

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# INTERNAL AUDIT DEPARTMENT

## 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.

