



INTERNAL AUDIT DEPARTMENT



First Follow-Up Internal Control Audit Countywide Audit of County Business Travel and Meeting Policy - Auditor-Controller

As of December 31, 2018

Audit No. 1839-D (Reference 1626-D-F1)
Report Date: March 26, 2019

Recommendation Status

5 Implemented

1 In Process

0 Not Implemented

1 Closed

OC Board of Supervisors

Chairwoman Lisa Bartlett
5th District

Vice Chair Michelle Steel
2nd District

Supervisor Andrew Do
1st District

Vacant
3rd District

Supervisor Doug Chaffee
4th District



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Audit No. 1839-D
(Reference 1626-D-F1)

March 26, 2019

To: Eric H. Woolery, CPA
Auditor-Controller

From: Scott Suzuki, CPA, Assistant Director *S Suzuki*
Internal Audit Department

Subject: First Follow-Up Internal Control Audit:
Countywide Audit of County Business Travel and Meeting Policy –
Auditor-Controller

We have completed a follow-up audit of the Auditor-Controller's (A-C) County Business Travel and Meeting Policy as of December 31, 2018, original Audit No. 1626-D, dated June 29, 2018. 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 A-C implemented five (5) recommendations, is in the process of implementing one (1) recommendation, and one (1) recommendation is closed. A second follow-up audit will be performed in approximately six months and a follow-up audit report form is attached to facilitate this audit. Any recommendations found not implemented 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 Auditor-Controller 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
- Auditor-Controller Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Vavrinek, Trine, Day & Co., LLP, County External Auditor

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RESULTS

FINDING NO. 1	Personally Identifiable Information Displayed
CATEGORY	Significant Control Weakness
RECOMMENDATION	We recommend the Auditor-Controller identify all SSNs residing in its systems and restrict, mask, and encrypt them accordingly.
CURRENT STATUS & PLANNED ACTION	<p>In Process. A-C is in the process of fully encrypting the Human Resources database. Currently, there are licensing issues with the user acceptance testing environment and the Shared Services vendor continues to work with the database vendor to resolve the issues.</p> <p>Based on the actions taken by A-C, we consider this recommendation in process.</p>

FINDING NO. 2	Employee Social Security Numbers Requested on Cash Advance Request Form
CATEGORY	Significant Control Weakness
RECOMMENDATION	We recommend the Auditor-Controller remove the request for an employee's Social Security Number from the Cash Advance Request form and utilize an alternate identification number if required.
CURRENT STATUS	<p>Implemented. A-C modified the Cash Advance Request form to not require the employee's Social Security Number (SSN).</p> <p>We reviewed three of the most recently completed Cash Advance Request forms and found no SSN was used on the forms.</p> <p>Based on the actions taken by A-C, we consider this recommendation implemented.</p>

FINDING NO. 3	Outdated Policy and Procedures for Business Travel and Meeting Administration
CATEGORY	Control Finding
RECOMMENDATION	We recommend the Auditor-Controller develop current detailed policy and procedures regarding business travel and meeting expenditures.



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CURRENT STATUS	<p>Implemented. A-C has updated their policy and procedures regarding business travel and meeting expenditures. The policy and procedures were sent to unit managers for distribution to staff as needed.</p> <p>Because of the actions taken by A-C, we consider this recommendation implemented.</p>
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FINDING NO. 4	Duplicate Travel Expenditure
CATEGORY	Control Finding
RECOMMENDATION	We recommend the Auditor-Controller review and enhance its current process to ensure duplicate expenses are not processed.
CURRENT STATUS	<p>Implemented. To ensure duplicate expenses are not processed, A-C requires a supervisor's review for travel expenditures. We reviewed nine of the most recent Mileage and Other Expense Claim Forms, which include reimbursements of other expenditures. For nine of the nine (100%) transactions tested, the supporting documentation shows expenditures were not duplicated.</p> <p>Because of the actions taken by A-C, we consider this recommendation implemented.</p>

FINDING NO. 5	Mileage and Other Expenses Claim Forms Not Submitted Timely
CATEGORY	Control Finding
RECOMMENDATION	We recommend the Auditor-Controller ensure Mileage and Other Expenses Claim forms are properly submitted within six months as required. We also recommend the Auditor-Controller ensure payments are not disbursed for claims submitted beyond six months from the end of travel event or expense.
CURRENT STATUS	<p>Implemented. We reviewed nine of the most recent Mileage and Other Expense claims and nine of the nine (100%) claims were submitted within the six month limit.</p> <p>Additionally, we verified the Claims and Compliance Bulletin, issued March 1, 2018, included a reminder to County departments that Mileage and Other Expenses Claim form should be submitted within six months.</p> <p>Because of the actions taken by A-C, we consider this recommendation implemented.</p>



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FINDING NO. 6	Rounding Issue in A-C's Mileage and Expense Claim Workflow Application
CATEGORY	Control Finding
RECOMMENDATION	We recommend the Auditor-Controller address the issue of rounding in its solution to the Mileage and Expense Claim workflow application.
CURRENT STATUS	<p>Implemented. A-C removed the calculated total on the form created from within the online mileage claim application. We reviewed five of the most recent online Mileage and Expense Claim reports and noted the claims were rounded correctly and matched the CAPS+HR reports without exception.</p> <p>Because of the actions taken by A-C, we consider this recommendation implemented.</p>

FINDING NO. 7	Automated Mileage and Other Expenses Claim Forms
CATEGORY	Control Finding
RECOMMENDATION	We recommend the Auditor-Controller ensure its solution to the Mileage and Expense Claim workflow application allows for processing of other travel expenses, such as lodging, meals, and registration fees. We also recommend the Auditor-Controller ensure that all County departments are offered access to the application.
CURRENT STATUS	<p>Closed. A-C requested budget funding to replace the current Mileage and Expense Claim workflow application system; however, funding was not recommended for a new workflow application for FY 2019-20.</p> <p>Since the A-C attempted to replace its Mileage and Expense Claim workflow application system and funding was not made available, we consider this recommendation closed.</p>

AUDIT TEAM	Michael Dean, CPA, CIA, CISA Zan Zaman, CPA, CIA Stephany Pantigoso	Senior Audit Manager Audit Manager Senior Auditor
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by the A-C as of December 31, 2018 to implement the seven (7) recommendations from our original Audit No. 1626-D, dated June 29, 2018.
BACKGROUND	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 seven (7) 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.

