



INTERNAL AUDIT DEPARTMENT



First Follow-Up Internal Control Audit: Countywide Audit of County Business Travel and Meeting Policy - County Executive Office

As of September 30, 2018

Audit No. 1839-A (Reference 1626-A-F1)
Report Date: December 13, 2018

Recommendation Status

1

Implemented

2

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

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

December 13, 2018

To: Frank Kim
County Executive Officer

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

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

We have completed a follow-up audit of the County Executive Office (CEO) County Business Travel and Meeting Policy as of September 30, 2018, original Audit No. 1626-A, dated February 7, 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 CEO 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. 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 County Executive Office 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
- County Executive Office 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	No Policy and Procedures For Business Travel and Meeting Administration
CATEGORY	Control Finding
RECOMMENDATION	We recommend CEO develop detailed policies and procedures regarding business travel and meeting expenditures that all areas of CEO can utilize.
CURRENT STATUS & PLANNED ACTION	<p>In Process. CEO held internal meetings to discuss the development of department-wide policies and procedures; however, written policies and procedures have not yet been developed. CEO intends to develop written policies and procedures within six months.</p> <p>Based on the actions taken by CEO, we consider this recommendation to be in process.</p>

FINDING NO. 2	Certain Department Head Claims Not Approved by the CEO
CATEGORY	Control Finding
RECOMMENDATION	We recommend the CEO enforce the requirement for CEO or designee (or Chief Operating Officer or designee) approval of expense claims.
CURRENT STATUS	<p>Implemented. The CEO reiterated this policy in department head meetings. We reviewed two Mileage & Other Expenses Claim forms submitted by appointed department heads and noted they were properly approved by the County Executive Officer.</p> <p>Because of the actions taken by CEO, we consider this recommendation implemented.</p>

FINDING NO. 3	Policy Regarding Mileage and Other Expenses Claim Form Submission
CATEGORY	Control Finding
RECOMMENDATION	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.



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CURRENT STATUS & PLANNED ACTION

In Process. CEO held internal meetings to discuss changes to the Travel Policy; however, it has not yet been updated. CEO intends to update the Travel Policy within six months.

Based on the actions taken by the CEO, we consider this recommendation to be in process.

AUDIT TEAM

Michael Dean, CPA, CIA, CISA
Virginia Nguyen

Senior 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 CEO as of September 30, 2018 to implement the three (3) recommendations from our original Audit No. 1626-A, dated February 7, 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 three (3) Control Findings.



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APPENDIX B: FOLLOW-UP AUDIT IMPLEMENTATION STATUS

Implemented	In Process	Not Implemented	Closed
<p>The department has implemented our recommendation in all respects as verified by the follow-up audit. No further follow-up is required.</p>	<p>The department is in the process of implementing our recommendation. Additional follow-up may be required.</p>	<p>The department has taken no action to implement our recommendation. Additional follow-up may be required.</p>	<p>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.</p>

