



# INTERNAL AUDIT DEPARTMENT



## First Follow-Up Internal Control Audit: Sheriff-Coroner Special Revenue Funds

As of September 30, 2018

Audit No. 1735-C (Reference 1520-F1)  
Report Date: January 22, 2019

### Recommendation Status

1

Implemented

1

In Process

0

Not Implemented

0

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



## INTERNAL AUDIT DEPARTMENT

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Audit No. 1735-C  
(Reference 1520-F1)

January 22, 2019

To: Don Barnes  
Sheriff-Coroner

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

Subject: First Follow-Up Internal Control Audit:  
Sheriff-Coroner Special Revenue Funds

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We have completed a follow-up audit of the Sheriff-Coroner's (OCSD) Special Revenue Funds as of September 30, 2018, original Audit No. 1520, dated January 30, 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 OCSD implemented one (1) recommendation and is in the process of implementing one (1) recommendation. 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 Sheriff-Coroner 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
- Sheriff-Coroner 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>Overstated Operating Transfer from Fund 15L</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	We recommend OCSD exclude Fund 15L costs when determining the actual revenue for the 800 MHz BBCS. We also recommend OCSD refund the \$329,555 to Fund 15L for the FY 2015-16 800 MHz BBCS and determine the total amount for prior years to be transferred back to Fund 15L.
<b>CURRENT STATUS &amp; PLANNED ACTION</b>	<p><b>In Process.</b> OCSD now excludes Fund 15L costs from the actual revenue for the 800 MHz BBCS. OCSD has calculated the overstated amounts for FY 2012-2013 to FY 2016-2017 to be approximately \$887,000. A Quarterly Budget Adjustment Request (QBAR) was drafted to offset the overstated amount. OCSD plans to submit the QBAR to the Board of Supervisors in April 2019.</p> <p>Based on the actions taken by OCSD, we consider this recommendation to be in process.</p>

<b>FINDING NO. 2</b>	<b>Special Revenue Fund COFA Documents Lacking Certain Required Elements</b>
<b>CATEGORY</b>	<b>Control Finding</b>
<b>RECOMMENDATION</b>	We recommend Sheriff-Coroner work with the Auditor-Controller to ensure that COFA documentation for special revenue fund accounts is complete and contains the elements required by CAM F-3.
<b>CURRENT STATUS</b>	<p><b>Implemented.</b> Effective January 16, 2018, OCSD submitted COFAs to the Auditor-Controller to modify funds 109, 134, 141, 143 and 144. The COFAs were complete and contained the elements required by CAM F-3.</p> <p>Because of the actions taken by OCSD, we consider this recommendation implemented.</p>

<b>AUDIT TEAM</b>	Michael Dean, CPA, CIA, CISA Sara Mikhaeil, CPA, CFE	Senior Audit Manager Senior Auditor
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## APPENDIX A: ADDITIONAL INFORMATION

<b>SCOPE</b>	Our follow-up audit was limited to reviewing actions taken by OCSD as of September 30, 2018 to implement the two (2) recommendations from our original Audit No. 1520, dated January 30, 2018.
<b>BACKGROUND</b>	The original audit evaluated internal control over Sheriff-Coroner special revenue fund transactions to ensure they were made in accordance with the established fund purpose and used in compliance with County and department policy. The original audit identified two (2) 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>

