



INTERNAL AUDIT DEPARTMENT



**Second & Final Close-Out Follow-Up
Internal Control Audit:
OC Dana Point Harbor
Special Revenue Fund 108
Selected Processes & Controls**

As of March 31, 2019

**Audit No. 1839-J (Reference 1423-F2)
Report Date: June 11, 2019**

Recommendation Status

1

Implemented

0

In Process

0

Not Implemented

0

Closed

OC Board of Supervisors

Chairwoman Lisa A. Bartlett
5th District

Vice Chair Michelle Steel
2nd District

Supervisor Andrew Do
1st District

Supervisor Donald P. Wagner
3rd District

Supervisor Doug Chaffee
4th District




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Audit No. 1839-J
(Reference 1423-F2)

June 11, 2019

To: Dylan Wright, Director
OC Community Resources

From: Aggie Alonso, CPA, CIA, CRMA
Internal Audit Department Director 

Subject: Second & Final Close-Out Follow-Up Internal Control Audit:
OC Dana Point Harbor Special Revenue Fund 108 Selected Processes & Controls

We have completed a follow-up audit of OC Dana Point Harbor Special Revenue Fund 108 Selected Processes & Controls as of March 31, 2019, original Audit No. 1423, dated April 24, 2017. Details of our results immediately follow this letter. Additional information including background and our scope are included in Appendix A.

Our Second Follow-Up Audit concluded OC Community Resources (OCCR) implemented the one (1) remaining recommendation from the original audit. Since all recommendations have been implemented or closed, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by OCCR personnel during our follow-up audit. If you have any questions, please contact me at 714.834.5442 or Assistant Director Scott Suzuki at 714.834.5509.

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- OC Community Resources 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. 5	Controls Were Not in Place to Ensure Certain Journal Vouchers Posted to Fund 108 Were Accurate
CATEGORY	Control Finding
RECOMMENDATION	We recommend OCCR establish policies and procedures to clearly define the responsibility in the department to ensure that transactions posted to Fund 108 are reviewed and any discrepancies identified are resolved.
CURRENT STATUS	Implemented. We determined that OCCR has established written policies and procedures that define the responsibility within the department for reviewing Fund 108 transactions and resolving discrepancies. OCCR also disseminated the new policies and procedures to applicable staff to help ensure the accuracy of JVs posted to Fund 108. Based on the actions taken by OCCR, we consider this recommendation implemented.
AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA Michael Dean, CPA, CIA, CISA Gianne Acosta, CIA Gabriela Cabrera Assistant Director 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 as of March 31, 2019 to implement the one (1) remaining recommendation from our First Follow-Up Audit No. 1735-B, dated July 30, 2018.
BACKGROUND	The original audit over OC Dana Point Harbor Special Revenue Fund 108 within OCCR ensured that this Special Revenue Fund was properly administered and maintained in compliance with County policies, procedures, and fund requirements. The First Follow-Up Audit concluded one (1) Control Finding remained open.



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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.

