



O R A N G E C O U N T Y

AUDITOR-CONTROLLER

I N T E R N A L A U D I T

**FIRST AND FINAL
CLOSE-OUT FOLLOW-UP
COUNTYWIDE AUDIT OF
FIDUCIARY FUNDS:
OC PUBLIC WORKS**

AS OF SEPTEMBER 30, 2016



**Audit Number 1519-F1 (Reference 1634)
Report Date: October 20, 2016**



O R A N G E C O U N T Y
AUDITOR-CONTROLLER
I N T E R N A L A U D I T

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Transmittal Letter

Audit No. 1519-F1
(Reference 1634)

October 20, 2016

TO: Shane L. Silsby, Director
OC Public Works

SUBJECT: First and **Final Close-Out** Follow-Up Countywide Audit of Fiduciary Funds:
OC Public Works, Original Audit No. 1519, Issued April 21, 2016

We have completed our First and Final Close-Out Follow-Up Countywide Audit of Fiduciary Funds for OC Public Works as of September 30, 2016. Our final report is attached for your review.

I submit an **Audit Status Report** quarterly to the Audit Oversight Committee (AOC) and a monthly report to the Board of Supervisors (BOS) where I detail any critical and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this Follow-Up Audit will be included in future status reports to the AOC and BOS.

Toni Smart, CPA, Director
Auditor-Controller Internal Audit Division

Attachments

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Eric Woolery, Auditor-Controller
Frank Kim, County Executive Officer
Jessica Witt, Deputy Chief Operating Officer
Robin Uptegraff, Assistant Director, OCPW
Becky Juliano, Deputy Director, OCPW Administrative Services
Randy Dunlap, Administrative Manager II, OCPW Centralized Quality Assurance
Jackie Cadotte, Compliance Services Manager, OCPW Centralized Quality Assurance
Tonya Riley, Director of Satellite Accounting Operations, Auditor-Controller
Howard Thomas, Accounting Manager III, Auditor-Controller/OCPW Accounting Services
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Macias Gini & O'Connell LLP, County External Auditor



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Fiduciary Funds: OC Public Works
Audit No. 1519-F1 (Reference 1634)*

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Internal Auditor's Report

**Audit No. 1519-F1
(Reference 1634)**

October 20, 2016

TO: Shane L. Silsby, Director
OC Public Works

FROM: Toni Smart, CPA, Director
Auditor-Controller Internal Audit Division

SUBJECT: First and **Final Close-Out** Follow-Up Countywide Audit of Fiduciary Funds:
OC Public Works, Original Audit No. 1519, Issued April 21, 2016

SCOPE

We completed a First and Final Close-Out Follow-Up Countywide Audit of Fiduciary Funds: OC Public Works (OCPW). Our audit was limited to reviewing actions taken as of September 30, 2016, to implement the **one (1) recommendation** from our original audit.

BACKGROUND

We found that OCPW had five fiduciary funds. Our audit of internal controls over the fiduciary funds administered by OCPW was performed to ensure the funds were properly administered, safeguarded, and maintained in compliance with County policy, procedures, and specific fund requirements for the period from July 1, 2014 through June 30, 2015. Our original audit identified **one (1) Control Finding**.

RESULTS

Our First Follow-Up Audit found that OCPW **implemented the one (1) recommendation** from the original audit. Because the recommendation was implemented, **this report represents the final close-out of the original audit**.

Based on our First Follow-Up Audit, the following is the implementation status of the one (1) original recommendation:

1. **Finding No. 1 – Fiduciary Fund Document Lacking Required Elements (Control Finding)**

Recommendation No.1: OCPW work with OCPW Accounting to prepare a COFA for the fiduciary funds noted above that includes all the required elements.

Current Status: Implemented. Our First Follow-up Audit found that OCPW submitted to the Auditor-Controller revised COFAs for Funds 150, 158, and 328, which included all the required elements per County Accounting Manual Procedure F-3. Because of the actions taken by OCPW, we consider this recommendation implemented.

We appreciate the assistance extended to us by the personnel of OC Public Works during our Follow-Up Audit. If you have any questions, please contact me directly at 714-834-5442 or Scott Suzuki, Assistant Director at 714-834-5509.