



INTERNAL AUDIT DEPARTMENT



**Second & Final Close-Out Follow-Up
Internal Control Audit:
Social Services Agency
Fiduciary & Special Revenue Funds**

As of March 2, 2023

**Audit No. 2239-J (Reference 1823-F2)
Report Date: April 19, 2023**

Recommendation Status

**FIRST
FOLLOW-UP**

**SECOND
FOLLOW-UP**

3

Implemented

1

1

In Process

0

0

Not Implemented

0

0

Closed

0

Second Follow-Up totals represent findings that were In Process or Not Implemented at First Follow-Up

OC Board of Supervisors

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3rd DISTRICT

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1st DISTRICT

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4th DISTRICT

SUPERVISOR KATRINA FOLEY
5th DISTRICT



INTERNAL AUDIT DEPARTMENT

Audit No. 2239-J
(Reference 1823-F2)

April 19, 2023

To: An Tran
Social Services Agency Director

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

Subject: Second & Final Close-Out Follow-Up Internal Control Audit: Social Services Agency Fiduciary & Special Revenue Funds

We have completed a follow-up audit of Social Services Agency's (SSA) fiduciary and special revenue funds process as of March 2, 2023, original Audit No. 1823, dated August 9, 2021. Details of our results immediately follow this letter. Additional information including background and our scope is included in Appendix A.

Our second follow-up audit concluded SSA implemented the one (1) remaining recommendation from our original audit. Because the recommendation was implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by SSA personnel during our follow-up audit. If you have any questions, please contact me at (714) 834-5442 or Michael Dean at (714) 834-4101.

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- County Executive Office Distribution
- Social Services Agency Distribution
- Auditor-Controller Satellite Accounting Operations Distribution
- Robin Stieler, Clerk of the Board
- Foreperson, Grand Jury
- Eide Bailly LLP, County External Auditor

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RESULTS

FINDING NO. 2	Account Disposition and Procedures								
CATEGORY	Control Finding								
RECOMMENDATION	<p>SSA management:</p> <p>A. Determine whether account balances should be held, disbursed, or closed for Fund 359 – DBSAs 00CS and 0005.</p> <p>B. Establish written policy and procedures that delineate the purpose, staffing responsibilities, accounting information, and reconciliation process for the two accounts.</p>								
CURRENT STATUS	<p>Implemented. SSA has determined the source and intended use of the funds. SSA also has a plan in place for the disposition of the funds, which includes working with other divisions to identify the appropriate recipients.</p> <p>In addition, SSA reported these funds have either ceased collection or are nearing the end of collections. Therefore, SSA will not establish procedures for ongoing activities, but rather has appointed the Claims unit to review the general ledger, ensuring no new funds are deposited in DBSA 0005 and new funds are tracked appropriately for DBSA 00CS.</p> <p>Based on the actions taken by SSA, we consider this recommendation implemented.</p>								
AUDIT TEAM	<table border="0"> <tr> <td>Michael Dean, CPA, CIA, CISA</td> <td>Senior Audit Manager</td> </tr> <tr> <td>Gianne Morgan, CIA, CISA</td> <td>Audit Manager</td> </tr> <tr> <td>Alejandra Hernandez</td> <td>Senior Auditor</td> </tr> <tr> <td>Mari Elias, DPA</td> <td>Administrative Services Manager</td> </tr> </table>	Michael Dean, CPA, CIA, CISA	Senior Audit Manager	Gianne Morgan, CIA, CISA	Audit Manager	Alejandra Hernandez	Senior Auditor	Mari Elias, DPA	Administrative Services Manager
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by SSA as of March 2, 2023 to implement the one (1) remaining recommendation in process at the time of our first follow-up Audit No. 2139-A, dated June 20, 2022.
BACKGROUND	The original audit evaluated operational effectiveness of internal control over SSA's fiduciary and special revenue funds. The first follow-up audit concluded SSA implemented three (3) recommendations and was in process of implementing one (1) recommendation.



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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>

