



INTERNAL AUDIT DEPARTMENT



**First & Final Close-Out Follow-Up
Internal Control Audit:
District Attorney-Public Administrator
Fiduciary Fund 164
As of December 31, 2025**

**Audit No. 2405-F1
Report Date: May 5, 2026**

Recommendation Status

6

Implemented

0

In Process

0

Not Implemented

0

Closed

OC Board of Supervisors

CHAIR DOUG CHAFFEE
4th DISTRICT

VICE CHAIR KATRINA FOLEY
5th DISTRICT

SUPERVISOR JANET NGUYEN
1st DISTRICT

SUPERVISOR VICENTE SARMIENTO
2nd DISTRICT

SUPERVISOR DONALD P. WAGNER
3rd DISTRICT



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Audit No. 2405-F1

May 5, 2026

To: Todd Spitzer
District Attorney-Public Administrator

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

Subject: First & Final Close-Out Follow-Up Internal Control Audit: District Attorney-Public Administrator Fiduciary Fund 164

We have completed a follow-up audit of District Attorney-Public Administrator (OCDA-PA) Fiduciary Fund 164, original Audit No. 2405, dated March 26, 2025. Additional information, including background and our scope, is included in Appendix A.

We followed up on the status of the six recommendations from the original audit and concluded that OCDA-PA implemented all recommendations. Since all recommendations were implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by OCDA-PA personnel during our follow-up audit. If you have any questions, please contact me at (714) 834-5442 or Deputy Director Jose Olivo at (714) 834-5509.

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- County Executive Office Distribution
- District Attorney-Public Administrator Distribution
- Robin Stieler, Clerk of the Board
- Foreperson, Grand Jury
- Crowe LLP, County External Auditor

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RESULTS

FINDING NO. 1	Personally Identifiable Information <p>OCDA-PA maintained departmental desk procedures that contained Personally Identifiable Information (PII), including full employee names, employee identification numbers, and the last four digits of their social security numbers. This oversight increased the risk of unauthorized access to PII, potentially leading to identify theft, data breaches, and reputational damage.</p>
CATEGORY	Significant Control Weakness
RECOMMENDATION	OCDA-PA management ensure PII is redacted from departmental desk procedures and support documentation.
CURRENT STATUS	Implemented. We confirmed that OCDA-PA removed the PII image from its departmental desk procedure. In addition, we reviewed emails from OCDA-PA's management to applicable fiscal personnel, which communicated the requirement to redact or mask PII from other documents, including department desk procedures and support documentation for grants, claims, cost applications, and payroll adjustments. Based on the actions taken by OCDA-PA, we consider this recommendation implemented.
FINDING NO. 2	Segregation of Duties for Payment Requests <p>The Public Administrator (OCPA) lacked proper segregation of duties in its database system for creating and approving Fund 164 payment requests. Payment requests for expenditures under \$5,000 and court-ordered distributions under \$25,000 were created and approved by the same individual, increasing the risk of undetected errors, fraud or misuse of funds.</p>
CATEGORY	Control Finding
RECOMMENDATION	OCPA management ensure the duties of creating and approving all payment requests are segregated.
CURRENT STATUS	Implemented. We reviewed OCPA's updated Payment Request policies and procedures and confirmed they now require separate individuals to create and approve all payment requests. OCPA also indicated they updated their database system to reflect this change. We reviewed three OCPA payment requests with different expenditure amounts and verified that separate individuals created and approved the payment requests. Based on the actions taken by OCPA, we consider this recommendation implemented.



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FINDING No. 3	Long-Outstanding Reconciling Item <p>OCPA had a long-outstanding reconciling item of \$8,642 listed in their May and June 2024 monthly Trust Fund 164 reconciliation reports, which originated in Fiscal Year 2022. This unresolved item increased the risk of not detecting errors or irregularities in accounting records in a timely manner.</p>
CATEGORY	Control Finding
RECOMMENDATION	OCPA management continue to work with the Auditor-Controller to resolve the long outstanding reconciliation item.
CURRENT STATUS	Implemented. We reviewed OCPA's reconciliation for December 2025 and supporting documentation and confirmed that they resolved the long-outstanding reconciliation item of \$8,642. Based on the actions taken by OCPA, we consider this recommendation implemented.

FINDING No. 4	Business Continuity Plan <p>OCPA's Business Continuity Plan (BCP) lacked detailed procedures for processing Fund 164 receipts and disbursements during and after a business disruption. This increased the risk of inconsistent procedures being followed, and potentially impacting business operations during an emergency or disruption.</p>
CATEGORY	Control Finding
RECOMMENDATION	OCPA management establish a written business continuity plan for the PA unit and include detailed procedures for its database system in the event it becomes inoperable.
CURRENT STATUS	Implemented. We confirmed that OCPA has established a business continuity plan for the PA unit. This plan includes detailed procedures for its database system and for the County financial system used to process receipts and disbursements in the event these systems become inoperable. Based on the actions taken by OCPA, we consider this recommendation implemented.



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FINDING NO. 5	Monitoring Activities <p>The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Framework adopted by the County requires ongoing monitoring activities, including conducting evaluations to ascertain whether the components of internal control are present and functioning.</p> <p>OCPA did not conduct separate evaluations to monitor internal control activities, such as approvals and reconciliations, over Fund 164. Ongoing and separate evaluations should be formalized and expanded to ensure all critical control activities are appropriately monitored to reduce the risk of undetected control weaknesses.</p>
CATEGORY	Control Finding
RECOMMENDATION	OCPA management enhance PA monitoring activities over Fund 164 by performing ongoing and separate evaluations of its internal controls.
CURRENT STATUS	Implemented. We reviewed OCPA's newly implemented 164 Trust Fund Annual review policy and confirmed that OCPA requires the chief deputy to conduct an annual review of Trust Fund 164 receipts and reconciliations to monitor and ensure accuracy and compliance. In addition, we validated that the chief deputy conducted an internal, documented review of Trust Fund 164 receipts and reconciliations for July 2025. Based on the actions taken by OCPA, we consider this recommendation implemented.

FINDING NO. 6	Policies and Procedures <p>OCPA had written internal policies and procedures specifically for collecting assets, green county receipts, the vault and daily storage cabinet, and warehouse security that were outdated or were not finalized. This increased the risk of inconsistent practices and errors.</p>
CATEGORY	Control Finding
RECOMMENDATION	OCPA management ensure policies and procedures for Fund 164 are updated and reviewed periodically to ensure accurate and relevant information.
CURRENT STATUS	Implemented. We confirmed that OCPA updated and finalized its written internal policies and procedures for collecting assets, green county receipts, the vault and daily storage cabinet, and warehouse security. In addition, OCPA plans to periodically review and update their policies and procedures for Fund 164. Based on the actions taken by OCPA, we consider this recommendation implemented.



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AUDIT TEAM	Alejandra Luna Mary Ann Cosep Thuy Luu	Audit Manager Senior Auditor Administrative Services Specialist
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by OCDA-PA as of December 31, 2025, to implement the six recommendations from our original audit, dated March 26, 2025.
BACKGROUND	The original audit evaluated the operational effectiveness of internal controls over OCDA-PA Fiduciary Fund 164. The original audit identified one Significant Control Weakness and five Control Findings.



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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.

