



OC Board of Supervisors' Internal Audit Department

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

AUDIT HIGHLIGHT SEPTEMBER 29, 2009

INTERNAL AUDITOR'S REPORT TO THE BOARD OF SUPERVISORS

INTERNAL CONTROL AUDIT: OC PUBLIC WORKS/TRANSPORTATION INTERDEPARTMENTAL BILLING PROCESS Audit No. 2823

WHY IS THIS AUDIT IMPORTANT?

This audit is important because for the year ending September 30, 2008, OC Public Works/Transportation billed County departments and agencies over **\$22 million** for services involving asset management, parts, labor, fuel, vehicle pool rental and depreciation costs using the new Flagship Billing System that was implemented in October 2007, and other supporting information systems. OC Public Works/Accounting Services consisting of Auditor-Controller employees are involved with Transportation in the monthly interdepartmental billing process.

WHAT WE FOUND?

Accomplishments and Successes

We found that internal controls are in place to ensure: (1) interdepartmental billings are accurate, complete, valid, and have appropriate supporting documentation and management review; (2) user access to rates and account codes in the Flagship Billing System and the Fleet Focus System is adequately controlled; (3) high-level IT general controls for OCPW related to the Flagship Billing System are reasonable, and (4) interdepartmental billing processes are efficient and effective.

Audit Findings and Control Recommendations

We identified 15 **Control Findings** with 13 recommendations to enhance controls, processes and systems over the interdepartmental billing process. OC Public Works and Auditor-Controller concurred with the findings and recommendations and have either already implemented corrective actions or are in process of researching the recommendations.

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