



# I n t e r n a l   A u d i t   D e p a r t m e n t

O R A N G E   C O U N T Y

## AUDIT HIGHLIGHT

## MARCH 5, 2013

### INTERNAL CONTROL AUDIT OC COMMUNITY RESOURCES FEE GENERATED REVENUE Audit No. 1222

#### WHY IS THIS AUDIT IMPORTANT?

During FY 11-12, OCCR generated **\$21 million** in fee revenue from Licenses, Permits, Franchises, and Charges for Services to the public for providing County services.

OC Community Resources (OCCR) was established in March 2008 by the Board of Supervisors to provide greater access to residents and visitors who want to fully utilize the resources available in their communities. Its mission is "Connecting People and Resources." OCCR is able to achieve their mission by bringing together the following four programs: (1) OC Animal Care, (2) OC Community Services, (3) OC Parks and (4) OC Public Libraries. OCCR charges fees to the public for providing certain services related to these programs.

Our audit evaluated the adequacy of internal controls over OCCR's fee development processes for establishing cost-recovery fees charged to the public that require approval from the Board of Supervisors. We also evaluated compliance with County Accounting Manual Procedures Nos. R-3 – *Revenue Policy, Requirements & Responsibilities*, and B-2 – *Billing Rates and Indirect Costs*, and the impact on fee development from State Proposition 26.

#### WHAT THE AUDITORS FOUND?

Our audit found internal controls over the administration of OCCR's fee development processes **are adequate and effective** to ensure compliance with departmental and County policies.

#### Audit Findings and Control Recommendations

We identified **five (5) Control Findings** regarding performance and documentation of independent desk reviews of fee studies; incomplete Fee Inventory listings; establishing written policies and procedures over fee development processes, and ensuring compliance with the County Accounting Manual Procedures in the area of frequency and methodology of fee studies.