

CAPS⁺ Implementation Project Functional Team Training

“RECAP OF NEW RISK ASSESSMENT STANDARDS”
AND “INTERNAL CONTROLS 101”

As requested by management of the CAPS⁺ Implementation Project, the IAD provided internal controls training to the CAPS⁺ Implementation Project functional teams. The training was well received with an average score of “Excellent” (6.3 on scale of 1 – 7) by the class attendees.

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Internal Audit Department

Providing Facts and Perspectives Countywide

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Transmittal Letter



Internal Audit Department

Letter to the Board

June 13, 2008

Audit No. 2764-C

Dr. Peter Hughes
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E-Mail:
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TO: Honorable Board of Supervisors

FROM: Dr. Peter Hughes, CPA, Director
OC Internal Audit Department

SUBJECT: Control Training Provided to CAPS+ Project Team

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On June 4, 2008, Internal Audit provided an informative training class to 35 CAPS+ Project team members, including members of the functional teams and the security and workflow team.

The training was well received with an average rating of "Excellent" (6.3 average on scale of 1 - 7) by the training attendees including the following questions:

- The information made sense? (Average Score 6.3)
- The information will help me in my job? (Average Score 6.3)

The training provided a recap of the new AICPA Risk Assessment Standards (effective for the year ended 6/30/08 external audit), as well as internal control fundamentals to help the teams in identifying and designing internal controls for the new CAPS+ system and related business processes.

At the end of class, we provided the team with a CD containing sample segregation of duties matrixes and internal control questionnaires for the functional areas, along with a checklist of common IT application controls.

Attached is the agenda provided to the training attendees. If you would like a full copy of the training presentation and materials, please contact Renee Aragon at (714) 834-5475.

cc: CAPS Steering Committee
Larry Chanda, CAPS+ Project Manager

Letter to Training Attendees



June 4, 2008

TO: Training Attendees

FROM: Dr. Peter Hughes, CPA, Director
OC Internal Audit Department

I am pleased to share with you our knowledge and insights regarding internal controls. We hope this class will assist you as you are designing and implementing internal controls for the new CAPS⁺ system.

The best opportunity to affect the system of internal control and process efficiency in CAPS⁺ is during the system development phases. During the development phases, changes and extensions to the system of internal control can be accomplished with considerable less cost and effort than after CAPS⁺ becomes operational.

The CAPS⁺ plays a critical role in processing financial information that supports the missions and objectives of all County departments and agencies. It is also used in compiling the County's financial statements for purposes of the CAFR and financial reporting to other governmental and private agencies.

This first phase of the CAPS⁺ Implementation Project will cover the critical functional areas of general accounting, purchasing, accounts payable/cash disbursements, capital assets, and cost accounting. We have completed over 90 internal control reviews in almost every single County department and agency. The foundation for this training class is built on this experience.

I hope our presentation proves interesting and helpful to you.



Part 1 – Introduction

- Slides 1 - 3

Part 2 – Recap of New Risk Assessment Standards

- Slides 4 - 8

Part 3 – Internal Controls 101

- Slides 9 - 20

Part 4 – Handouts/Tools:

Samples - Segregation of Duties Matrix & Internal Control Questionnaires (ICQs) for the following functional areas:

- Cash Receipts
- Cash Disbursement
- Trust Funds
- Purchasing
- Purchasing Card
- Revolving Fund
- General Ledger & Financial Reporting
- Capital Assets
- Information Technology including application controls & general controls

Part 5 – Course Evaluation Form