

OFFICE OF AUDITS & ADVISORY SERVICES

DEPARTMENT OF PUBLIC WORKS OFFICERS' TRANSITION AUDIT

FINAL REPORT



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JUAN R. PEREZ
CHIEF OF AUDITS

September 19, 2025

TO: Marisa Barrie, Director
Department of Public Works

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: DEPARTMENT OF PUBLIC WORKS OFFICERS' TRANSITION AUDIT

Enclosed is our report on the Department of Public Works Officers' Transition Audit. We have reviewed your response to our recommendations and have attached it to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. You or your designee will receive email notifications when these quarterly updates are due, and these notifications will continue until all actions have been implemented.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ
Chief of Audits

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Enclosure

c: Dahvia Lynch, Deputy Chief Administrative Officer, Land Use and Environment Group
Jennifer Lawson, Chief Operations Officer, Land Use and Environment Group
Joan Bracci, Chief Financial Officer
Tracy Drager, Auditor and Controller
Aimee Leighton, Group Finance Director, Land Use and Environment Group

About the Office of Audits & Advisory Services

The mission of the Auditor and Controller's Office of Audits & Advisory Services (OAAS) is to provide independent, objective assurance and consulting services designed to add value and improve the County of San Diego's operations. OAAS helps the County accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Audit Authority

OAAS derives its authority to conduct audits of County departments and programs primarily from the County Charter, County Administrative Code, Board of Supervisors Policy Manual, and California Government Code.

Statement of Auditing Standards

This audit was conducted in conformance with the Global Internal Audit Standards prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.



AUDIT OBJECTIVE & SCOPE

The Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the Department of Public Works (DPW). The objective of the audit was to determine if there is reasonable assurance that the outgoing officer, William Morgan, and incoming officer, Marisa Barrie, took appropriate actions and filed required reports as of March 3, 2025, in compliance with California Codes, County regulatory requirements, and County policies and procedures. These requirements were explained in the instruction letter provided to each officer.

The reports are the responsibility of the officer who signs them. OAAS' responsibility is to provide an opinion on the reports based upon the audit.

The scope of the audit consisted of a review of DPW's public funds and assets transferred to the incoming officer as of the transition date, March 3, 2025.

AUDIT RESULTS

In our opinion, there is reasonable assurance that the outgoing and incoming officers took appropriate actions and filed required reports in compliance with California Codes, County regulatory requirements, and County policies and procedures in connection with an officer's transition. Further, there is reasonable assurance that DPW has effective controls in place to track, account for, and safeguard County assets; however, we identified the following opportunities to strengthen its cash and minor equipment management controls:

Finding I: Cash Handling Training

OAAS found that Petty Cash Fund and Change Fund custodians, as well as their supervisors, had not received cash handling training and were unaware that such training was necessary.

The Treasurer-Tax Collector (TTC) has established cash handling policies and procedures designed to ensure proper controls are in place so that cash is consistently handled, secured, and processed correctly. These policies and procedures align with practices used by other state and local governments and serve as a Countywide best practice for departments that handle cash.

Section 15.2 of the TTC cash handling policies and procedures requires employees who receive or handle cash to complete cash handling training within six months of employment. Allowing employees to handle cash without proper training increases the risk of errors, theft, and fraud, which may result in monetary losses.

RECOMMENDATION:

1. Employees responsible for cash handling should complete the Association of Public Treasurers (APT) cash handling training.

Finding II:

Internal Controls over Minor Equipment

Based on an inspection of 28 minor equipment assets, the following deficiencies related to the administration of minor equipment assets were identified:

- 2 assets that were salvaged did not have a salvage form available.
- 2 assets did not have a minor equipment tag attached.
- 1 asset was salvaged in 2018 but had not been removed from the minor equipment inventory listing.

County Administrative Manual Item No. 0050-02-01 states that department heads are responsible for maintaining listings of minor equipment items, adding new items as they are received, and deleting items that are disposed of or are no longer in use. This includes ensuring decals are affixed to assets in a spot that is easily visible when conducting inventories.

Deficiencies in internal controls related to the tracking of assets increase the risk of misappropriation, misuse, or loss.

RECOMMENDATION:

1. Ensure that employees with asset management responsibilities acknowledge they have read County Administrative Manual Item No. 0050-02-01 and understand their duties as required by County Policy.
2. Ensure that the exceptions that were noted are resolved.
3. Update the minor equipment inventory listing to accurately reflect the total assets under the control of DPW.

BACKGROUND

The County Charter, Section 801.1(a), requires that OAAS conduct such an audit when County officers leave or assume office to determine if certain affidavits, authorizations, disclosures, and reports are properly completed and processed. These actions provide for an orderly transition of officers, establish proper accountability for public assets, and promote the County's General Management System (GMS); including its key disciplines of accountability, transparency and ethical conduct, fiscal stability, and continuous improvement and innovation.

METHODOLOGY

OAAS reviewed all the reports filed by the outgoing and incoming officers, obtained supporting documentation, and performed limited internal control testing.

DEPARTMENT'S RESPONSE
(DEPARTMENT OF PUBLIC WORKS)

**PUBLIC WORKS****MARISA K. BARRIE, PE**
DIRECTOR5510 OVERLAND AVENUE, SUITE 410, SAN DIEGO, CALIFORNIA 92123-1237
(858) 694-2212**KATHRYN A. STEWART, PE**
ASSISTANT DIRECTOR

September 15, 2025

TO: Juan R. Perez
Chief of Audits**FROM:** Marisa K. Barrie, PE, Director
Department of Public Works**Marisa Barrie**Digitally signed by Marisa Barrie
Date: 2025.09.15 16:29:13
+07'00'**DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: DIRECTOR'S TRANSITION AUDIT****Finding I: Cash Handling Training**

OAAS Recommendation: Employees responsible for cash handling should complete the Association of Public Treasurers (APT) cash handling training.

Action Plan: The Department of Public Works (DPW) agrees with the recommendation of the importance of ensuring that all employees involved in cash handling receive proper training to uphold best practices and minimize risk. DPW will require all current and future staff responsible for cash handling to complete the Association of Public Treasurers (APT) Cash Handling Training within six months of assuming a cash-handling role, in accordance with Sec. 15.2 of the Treasurer-Tax Collector (TTC) Cash Handling Policy.

In addition, onboarding for new staff currently includes two weeks of in-person training covering internal procedures and responsibilities. The department maintains its own Petty Cash Policy and Desk Procedures, which provide detailed, operation-specific guidance, and complies with the Petty Cash Fund procedures established by the Auditor & Controller (A&C). DPW also maintains strong internal controls to safeguard petty cash, including monthly reconciliations to ensure all funds are accurately accounted for and any discrepancies are promptly resolved.

The following steps will be taken to implement the recommendations.

1. Identify all current employees involved in cash handling.
2. Enroll identified staff in the APT Cash Handling – Front Line Training scheduled for September 10, 2025, or November 13, 2025, based on staff availability. As of the date of this letter, 14 out of the 15 staff were able to attend the September 10th session. The remaining staff registered for the November 13th session.
3. Incorporate Section 15.2 of the TTC Cash Handling policies in the department desk guides to ensure visibility and ongoing reference for employees.

The department will maintain documentation of training completion for audit and compliance purposes.

Planned Completion Date: December 15, 2025

Contact Information for Implementation: Bobby Bacasen, Principal Accountant

Finding II. Internal Controls over Minor Equipment**OAAS Recommendations:**

1. Ensure that employees with asset management responsibilities acknowledge they have read County Administrative Manual Item No. 0050-02-01 and understand their duties as required by County Policy.
2. Ensure that the exceptions that were noted are resolved.
3. Update the minor equipment inventory listing to accurately reflect the total assets under the control of DPW.

Action Plan: The Department of Public Works (DPW) agrees with the recommendations provided and is committed to ensuring full compliance with County policies regarding asset management. The following steps will be implemented.

1. DPW will require that all employees with asset management responsibilities review County Administrative Manual Item No. 0050-02-01. A formal notification will be distributed to all affected staff with the policy attached, along with instructions to review and complete the assignment in the Learning Management System (LMS). Completion of the assignment, which includes acknowledgement of the policy and employee responsibilities, will be documented and retained in LMS. DPW Financial Services will retain the final list and update it as staff's roles change to ensure it remains current.
2. As of the date of this letter, the department has taken appropriate corrective actions to resolve exceptions.
 - Two assets that were salvaged did not have a salvage form available.
 - Salvage form for the two assets will be submitted to document the disposal of assets.
 - Staff with asset management responsibilities will be reminded of the requirements in Administrative Manual Item No. 0050-02-01 and must acknowledge the duties as described above
 - Clear instructions reiterating compliance with proper procedures and documentation for asset disposal will be formally communicated to all staff with asset management responsibilities.
 - Two assets did not have a minor equipment tag attached.
 - Asset Tag MEPW1003875 has been issued and attached to the Plate Compactor (Wacker).
 - Asset Tag MEPW1003876 has been issued and attached to the Vibra Plate.
 - One asset was salvaged in 2018 but had not been removed from the minor equipment inventory listing.
 - The salvaged digital camera has been removed from the minor equipment listing.
3. DPW will conduct a comprehensive review of its minor equipment inventory to ensure the listing and accuracy reflects all assets under the department's control.

Planned Completion Date: December 15, 2025

Contact Information for Implementation: Bobby Bacasen, Principal Accountant