

S U M M A R Y M I N U T E S



REGULAR MEETING OF THE AUDIT OVERSIGHT COMMITTEE
ORANGE COUNTY, CA

Thursday, August 22, 2024, 10:00 A.M.

County Administration South
601 N. Ross St., Multipurpose Room 103/105
Santa Ana, CA 92701

DREW ATWATER

AOC CHAIR
Private Sector Member, First District

SUPERVISOR DONALD P. WAGNER

BOARD CHAIRMAN
Third District
Member

MICHELLE AGUIRRE

ACTING COUNTY EXECUTIVE
OFFICER
Member

MARK WILLE, CPA

Private Sector Member, Third District

YVONNE ROWDEN

AOC VICE CHAIR
Private Sector Member, Fifth District

SUPERVISOR DOUG CHAFFEE

BOARD VICE CHAIRMAN
Fourth District
Member

TIM JOHNSON, CPA

Private Sector Member, Second District

LARRY HIMMEL

Private Sector Member, Fourth District

Non-Voting Members

Auditor-Controller:
Treasurer-Tax Collector:
Internal Audit Director:

Andrew Hamilton, CPA
Shari Freidenrich, CPA
Aggie Alonso, CPA

Staff

Deputy County Counsel:
AOC Clerk:

Ronnie Magsaysay
Stephany Franco

ATTENDANCE:

Drew Atwater, AOC Chairman, Private Sector Member
Yvonne Rowden, AOC Vice Chair, Private Sector Member
Patricia Welch-Foster, Proxy for Supervisor Wagner
Jesus Gaona Perez, Proxy for Supervisor Chaffee
Michelle Aguirre, Acting County Executive Officer – Not Present
Tim Johnson, Private Sector Member
Mark Wille, Private Sector Member
Larry Himmel, Private Sector Member

PRESENT:

Andrew Hamilton, Auditor-Controller
Shari Friedenrich, Treasurer-Tax Collector
Aggie Alonso, Internal Audit Director
Ronnie Magsaysay, Deputy County Counsel
Stephany Franco, AOC Clerk

S U M M A R Y M I N U T E S

1. Roll call

Mr. Drew Atwater, Audit Oversight Committee (AOC) Chair, called the meeting to order at 10:03 A.M. Attendance of AOC Members noted above.

2. Approve Audit Oversight Committee Regular Meeting Minutes of May 16, 2024

Mr. Atwater asked for a motion to approve the Audit Oversight Committee Regular Meeting Minutes of May 16, 2024.

Motion to approve the Regular Meeting Minutes of May 16, 2024, by Mark Wille, seconded by Tim Johnson.

All in favor.

Approved as recommended.

3. Receive Report on Required Communication from External Auditors

Mr. David Showalter, Partner at Eide Bailly, discussed attachments reflecting Eide Bailly's status on audits in progress, as well as those recently completed.

4. Approve Internal Audit Department's Quarterly Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2024

Mr. Aggie Alonso, Director of Internal Audit, presented the Quarterly Status Report and Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2024. During the quarter, Internal Audit issued 12 audit reports, which includes four original audits and eight follow-up audits. Mr. Alonso also reported that Internal Audit plans to conduct a Request for Statements of Qualifications to establish a slate of approved audit firms to have available whenever Internal Audit does not have the expertise or capacity to perform unexpected, unplanned audits and reviews.

Motion to approve Internal Audit Department's Quarterly Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2024, by Mark Wille, seconded by Yvonne Rowden.

All in favor.

Approved as recommended.

5. Receive the Internal Audit Department's Independence

Mr. Alonso stated that for the period of July 1, 2023 through June 30, 2024, the Internal Audit Department's internal audit activity has been free from the interference in determining the scope of internal auditing, performing work, and communicating results.

6. Receive Report on Internal Audit Department's Internal Quality Assessment 2023-24

S U M M A R Y M I N U T E S

Mr. Alonso, presented the report on Internal Audit Department's Quality Assessment for Fiscal Year 2023-24. We concluded that we "generally conform" with the IIA's International Standards for the Professional Practice of Internal Auditing and Code of Ethics, which is the highest level of conformance possible.

7. Approve External Audit Activity Status Report for the Quarter Ended June 30, 2024, and Receive Report on Status of External Audit Recommendations Implementation

Mr. Michael Dean, Assistant Deputy Director of Internal Audit, presented the External Audit Activity Status Report for the Quarter Ended June 30, 2024. Mr. Dean stated there were no material findings during this reporting period.

Motion to approve External Audit Activity Status Report for the Quarter Ended June 30, 2024, by Mark Wille, seconded by Tim Johnson.

All in favor.

Approved as recommended.

8. Receive Reports on Status of Auditor-Controller Mandated Audits for the Quarters Ended June 30, 2024

Mr. Sal Lopez, Chief Deputy Auditor-Controller, provided status reports of Mandated Audits for the quarter ended June 30, 2024.

9. Receive Reports on Status of Performance Audits for the Quarter Ended June 30, 2024

Ms. Lisa Fernandez, Director Performance Management and Policy, provided updates of Performance Audits.

10. Receive Report on eProcurement

Mr. Andrew Hamilton, Auditor-Controller, provided a status update on eProcurement.

11. Receive Update on County IT Projects Quarterly Progress Report

Ms. Lynne Halverson, Manager OCIT PMO, provided an update on the IT projects quarterly progress.

12. Receive Update on Recent CrowdStrike Incident that Impacted Orange County Computer Systems

Mr. Andrew Alipanah, Chief Information Security Officer, provided an update on the recent CrowdStrike Incident including the impact and the actions the County has taken.

S U M M A R Y M I N U T E S

13. Receive Update on Single Audit from the Single Audit Corrective Action Sub-Committee

Mr. Mark Wille, Private Sector Member, provided an update on the Single Audit Sub-Committee which was established as a result of the qualified opinion in Eide's Bailly's Fiscal Year 2023-24 Single Audit Report related to the County not complying with required fiscal monitoring of the Foster Care Title IV-E Program. Specifically, the Sub-Committee met with all the relevant stakeholders and discussed the corrective actions the Social Services Agency has taken to address the lack of fiscal monitoring. Eide Bailly will be following up with SSA and reporting back on the implementation of the fiscal monitoring requirements.

PUBLIC COMMENTS: None.

AOC COMMENTS: None.

ADJOURNMENT: Meeting adjourned at 11:22 A.M.

NEXT MEETING:

Regular Meeting, Thursday, November 7, 2024 at 10:00 A.M.