PUBLIC INFORMATION

INTERNAL AUDIT DEPARTMENT

Information Technology Audit: OCIT Selected Internet of Things (IoT) Device Security Controls

For the Period September 1, 2023 To August 31, 2024

Audit No. 2314
Report Date: December 17, 2024

Number of Recommendations

0	Critical Control Weaknesses
1	Significant Control Weakness
1	Control Finding

OC Board of Supervisors

CHAIRMAN DONALD P. WAGNER	VICE CHAIRMAN DOUG CHAFFEE	SUPERVISOR JANET NGUYEN	SUPERVISOR VICENTE SARMIENTO	SUPERVISOR KATRINA FOLEY
3rd DISTRICT	4th DISTRICT	1st DISTRICT	2nd DISTRICT	5th DISTRICT

PUBLIC INFORMATION

INTERNAL AUDIT DEPARTMENT

Information Technology Audit:
OCIT Selected Internet of Things (IoT) Device Security Controls
December 17, 2024

AUDIT HIGHLIGHTS

SCOPE OF WORK	Perform an information technology audit of OCIT Selected Internet of Things (IoT) Device Security Controls administered or monitored by OCIT for the year ended August 31, 2024.
RESULTS	Content has been removed from this report due to the sensitive nature of the specific findings.
RISKS	Content has been removed from this report due to the sensitive nature of the specific findings.
NUMBER OF RECOMMENDATIONS	Content has been removed from this report due to the sensitive nature of the specific findings.

0	CRITICAL CONTROL WEAKNESSES
1	SIGNIFICANT CONTROL WEAKNESS
1	CONTROL FINDING

Report suspected fraud, or misuse of County resources by vendors, contractors, or County employees to (714) 834-3608

PUBLIC INFORMATION

INTERNAL AUDIT DEPARTMENT

Audit No. 2314

December 17, 2024

To: KC Roestenberg
Chief Information Officer

From: Aggie Alonso, CPA, CIA, CRMA
Internal Audit Department Director

Digitally signed by Agripino Alonso
Date: 2024.12.17 08:45:09 -08'00'

Subject: Information Technology Audit: OCIT Selected Internet of Things (IoT) Device Security Controls

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We have completed an information technology audit of OCIT Selected Internet of Things (IoT) Device Security Controls administered or monitored by OCIT for the year ended August 31, 2024. Due to the sensitive nature of specific findings (restricted information), results are redacted from public release. Additional information including background and our objectives, scope, and methodology are included in Appendix A.

OCIT concurred with all our recommendations and the Internal Audit Department considers management's response appropriate to the recommendations in this report.

We will include the results of this audit in a future status report submitted quarterly to the Audit Oversight Committee and the Board of Supervisors. In addition, we will request your department complete a Customer Survey of Audit Services, which you will receive shortly after the distribution of our final report.

We appreciate the courtesy extended to us by OCIT during our audit. If you have any questions, please contact me at (714) 834-5442 or Deputy Director Jose Olivo at (714) 834-5509.

Attachments

Other recipients of this report:
Members, Board of Supervisors
Members, Audit Oversight Committee
County Executive Office Distribution
OCIT Distribution
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board
Eide Bailly LLP, County External Auditor

INTERNAL AUDIT DEPARTMENT

RESULTS

Content has been removed from Results due to the sensitive nature of the specific findings.

AUDIT TEAM	Jimmy Nguyen, CISA, CFE, CEH	Senior IT Audit Manager
	Stephany Franco	Senior Auditor
	Gabriela Cabrera, CIA	Administrative Services Manager

APPENDIX A: ADDITIONAL INFORMATION

OBJECTIVE	Evaluate OCIT's design, implementation, and operating effectiveness of internal control to determine whether Selected IoT Device Security Controls provide reasonable assurance that device assets are properly tracked and secured to prevent unauthorized access and changes, vulnerabilities are properly managed, and comply with best practices and standards.
SCOPE & METHODOLOGY	Our audit scope was limited to selected information technology controls over IoT device security located at the CAS and CAN buildings for the period ending August 31, 2024. Our methodology included inquiry, observation, examination of documentation, and sampling of relevant items.
EXCLUSIONS	We did not examine IT general controls, application controls, or any processes that involve County elected departments or ones that independently manage their own IT functions or IoT devices separate from OCIT. These departments include: • Assessor • Auditor-Controller • Clerk-Recorder • Health Care Agency • John Wayne Airport • OC District Attorney • OC Public Defender • OC Sheriff-Coroner • Registrar of Voters
PRIOR AUDIT COVERAGE	We have not issued any audit reports for OCIT with a similar scope within the last ten years.
BACKGROUND	Content has been removed from Background due to the sensitive nature of the specific findings.

INTERNAL AUDIT DEPARTMENT

PURPOSE & AUTHORITY	We performed this audit in accordance with the FY 2023-24 Audit Plan and Risk Assessment approved by the Audit Oversight Committee (AOC) and the Board of Supervisors (Board).
PROFESSIONAL STANDARDS	Our audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing issued by the International Internal Audit Standards Board.
FOLLOW-UP PROCESS	In accordance with professional standards, the Internal Audit Department has a process to follow-up on its recommendations. A first follow-up audit will generally begin six months after release of the initial report. The AOC and Board expect that audit recommendations will typically be implemented within six months or sooner for significant and higher risk issues. A second follow-up audit will generally begin six months after release of the first follow-up audit report, by which time all audit recommendations are expected to be implemented. Any audit recommendations not implemented after the second follow-up audit will be brought to the attention of the AOC at its next scheduled meeting. A Follow-Up Audit Report Form is attached and is required to be returned to the Internal Audit Department approximately six months from the date of this report in order to facilitate the follow-up audit process.
MANAGEMENT'S RESPONSIBILITY FOR INTERNAL CONTROL	In accordance with the Auditor-Controller's County Accounting Manual No. S-2 Internal Control Systems: "All County departments/agencies shall maintain effective internal control systems as an integral part of their management practices. This is because management has primary responsibility for establishing and maintaining the internal control system. All levels of management must be involved in assessing and strengthening internal controls." Internal control should be continuously evaluated by management and weaknesses, when detected, must be promptly corrected. The criteria for evaluating internal control is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework. Our audit complements but does not substitute for department management's continuing emphasis on control activities and monitoring of control risks.
INTERNAL CONTROL LIMITATIONS	Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Specific examples of limitations include, but are not limited to, resource constraints, unintentional errors, management override, circumvention by collusion, and poor judgment. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate. Accordingly, our audit would not necessarily disclose all weaknesses in the department's operating procedures, accounting practices, and compliance with County policy.

INTERNAL AUDIT DEPARTMENT

APPENDIX B: REPORT ITEM CLASSIFICATION

Critical Control Weakness	Significant Control Weakness	Control Finding
These are audit findings or a combination of audit findings that represent critical exceptions to the audit objective(s) and/or business goals. Such conditions may involve either actual or potential large dollar errors or be of such a nature as to compromise the department's or County's reputation for integrity. Management is expected to address **Critical Control Weaknesses** brought to its attention immediately.	These are audit findings or a combination of audit findings that represent a significant deficiency in the design or operation of internal controls. **Significant Control Weaknesses** require prompt corrective actions.	These are audit findings concerning the effectiveness of internal control, compliance issues, or efficiency issues that require management's corrective action to implement or enhance processes and internal control. **Control Findings** are expected to be addressed within our follow-up process of six months, but no later than twelve months.

APPENDIX C: OCIT MANAGEMENT RESPONSE

Content in Appendix C has been removed from this report due to the sensitive nature of the specific findings.