



INTERNAL AUDIT DEPARTMENT



Second & Final Follow-Up Internal Control Audit: Electronic Funds Transfer Process - Treasurer-Tax Collector

As of May 2, 2019

Audit No. 1839-M (Reference 1583-F2)
Report Date: August 26, 2019

Recommendation Status

- 2** Implemented
- 1** In Process
- 0** Not Implemented
- 0** Closed

OC Board of Supervisors

Chairwoman Lisa A. Bartlett
5th District

Vice Chair Michelle Steel
2nd District

Supervisor Andrew Do
1st District

Supervisor Donald P. Wagner
3rd District

Supervisor Doug Chaffee
4th District



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Audit No. 1839-M
(Reference 1583-F2)

August 26, 2019

To: Shari Freidenrich, CPA
Treasurer-Tax Collector

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

A handwritten signature in black ink, appearing to be "Aggie Alonso", is written over the "From:" line.

Subject: Second & Final Follow-Up Internal Control Audit: Electronic Funds Transfer
Process – Treasurer-Tax Collector

We have completed a follow-up audit of the Treasurer-Tax Collector's Electronic Funds Transfer process as of May 2, 2019, original Audit No. 1583, dated May 22, 2017. Due to the sensitive nature of specific findings (restricted information), results are included in Appendix A (which is redacted from public release) and additional information including background and our scope is included in Appendix B.

Our second follow-up audit concluded the Treasurer-Tax Collector implemented two (2) recommendations and is in the process of implementing one (1) remaining recommendation. Because this is our final follow-up audit, the one (1) remaining recommendation will be reported to the Audit Oversight Committee in our next Quarterly Status Report.

We appreciate the assistance extended to us by Treasurer-Tax Collector personnel during our follow-up audit. If you have any questions, please contact me at 714.834.5442 or Assistant Director Scott Suzuki at 714.834.5509.

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Treasurer-Tax Collector Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor

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RESULTS

FINDING NO. 1 Removed due to the sensitive nature of the finding.

FINDING NO. 3 Removed due to the sensitive nature of the finding.

FINDING NO. 7 Removed due to the sensitive nature of the finding.

AUDIT TEAM	Scott Suzuki, CPA, CIA, CISA Jimmy Nguyen, CISA, CFE, CEH Scott Kim, CPA, CISA	Assistant Director IT Audit Manager II IT Audit Manager I
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APPENDIX A: RESTRICTED INFORMATION

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



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APPENDIX B: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken as of May 2, 2019 to implement three remaining recommendations from our First Follow-Up Audit No. 1735-H, dated on August 30, 2018.
BACKGROUND	The original audit evaluated internal control over the Treasurer-Tax Collector's (T-TC) Electronic Funds Transfer (EFT) process to ensure safeguarding of EFTs are in effect and operating as intended, ensure EFTs processed by the T-TC are accurate, and to identify any business process efficiency enhancements related to EFTs. The first follow-up audit concluded the T-TC implemented six (6) recommendations and was in process of implementing three (3) recommendations.



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APPENDIX C: FOLLOW-UP AUDIT IMPLEMENTATION STATUS

Implemented	In Process	Not Implemented	Closed
<p>The department has implemented our recommendation in all respects as verified by the follow-up audit. No further follow-up is required.</p>	<p>The department is in the process of implementing our recommendation. Additional follow-up may be required.</p>	<p>The department has taken no action to implement our recommendation. Additional follow-up may be required.</p>	<p>Circumstances have changed surrounding our original finding/ recommendation that: (1) make it no longer applicable or (2) the department has implemented and will only implement a portion of our recommendation. No further follow-up is required.</p>

