County of Orange Internal Audit Department
Findings Summary for Attestation Services & Mandates Issued
For the Period of December 13, 2002 through April 3, 2003

Agency	Review on	Audit No.	Audit Period	Final Report Issued	Internal Control and Compliance Issues Noted
Treasurer-Tax Collector	Tax Redemption Audit	2209	June 30, 2002	February 18, 2003	1. Interest on Refunds: The Treasurer-Tax Collector – Tax Redemption does not pay interest to taxpayers on replicated payments refunded later than 60 days as required by the Revenue & Taxation (R&T) Code. 2. Account Reconciliations: A. Tax Redemption did not reconcile eleven inactive general ledger accounts with old balances. Two of the accounts had large unidentified balances of $272,956.79 and $74,722.05. B. Auditor-Controller did not reconcile one inactive general ledger account with a balance of $110,918.41. 3. Suspense Account: We tested 40 items in the suspense account and identified 18 instances where refunds were not made timely (within 60 days) to the taxpayer. (See item 1 above) 4. Assessment Tax System (ATS) Access: We found six employees with inappropriate access to at least one ATS transaction screen. 5. Supervisory Review: A. Account Reconciliation: A supervisor did not consistently review reconciliations of tax redemption financial records to Auditor-Controller's general ledger in a timely manner. B. Penalty Cancellations: Controls over supervisory review of penalty cancellations need to be improved. C. Bankruptcy Case Documents: Supervisory review is not performed of formal bankruptcy-related documents submitted to the Court by the Tax Collector.
District Attorney	District Attorney Spousal Abuser Prosecution Grant	2212	June 30, 2002	December 27, 2002	None

County of Orange Internal Audit Department
Finding Summary for Departmental Control Reviews Issued
For the Period December 13, 2002 through April 3, 2003

Dept./Agency	Process Review	Audit No.	Audit Period	Final Report Issued	Reported Internal Control Issues
Sheriff-Coroner	Cash Disbursements: Trust Funds, Special Appropriation Funds, Flash Fund, and Revolving Fund	2235	Year - Ended 4/30/02	3/04/03	I. Trust Funds/Special Appropriation Funds/Flash Fund A. Segregation of Duties B. Inventories and Logs of Forms C. Special Appropriation Fund Reconciliations D. Supervisory Reviews E. Authorized Signature Lists F. Accountability II. Revolving Fund/Travel Cash Advances A. Segregation of Duties B. Authorizations C. Fund and Checking Account Reconciliations D. Physical Safeguards E. Cancellation of Support Documents F. Timely Submission of Cash Advances
District Attorney	Cash Receipts, Cash Disbursements, and Trust Funds	2242	Year Ended 8/31/02	3/03/03	I. Accountability Over Cash Receipts II. Physical Safeguards III. Timely Deposits IV. Documentation of Reconciliations and Supervisory Reviews
Public Administrator/ Public Guardian	Property Vault Control Review	2331	As of 2/28/03	3/03/03	Internal controls found to be effective; no report items.
Planning and Development Svcs. Department; CEO/Budget Office; Auditor-Controller	High-level Budgetary Process and Control Review of Fund 113	2316	As of 1/31/03	2/27/03	I. Strategic Planning II. Staffing, Projected Workload and Annual Budget III. Ownership and Accountability IV. Reviews and Approvals V. Training and Development VI. Cost Study VII. Loans from General Fund VIII. PDSD Overhead Cost Calculations

County of Orange Internal Audit Department
Finding Summary for Departmental Control Reviews Issued
For the Period December 13, 2002 through April 3, 2003

Notes:

- **The Sheriff-Coroner and District Attorney** concurred with our report items and were agreeable in incorporating our recommendations.

- **Review of PDSD Fund 113: PDSD, CEO, and the Auditor-Controller** concurred with our report items and were agreeable in incorporating our recommendations. Due to the nature of the recommendations, several of the items will require additional analysis and consideration before they can be implemented. Internal Audit will periodically perform follow-ups to assess the status of implementing the recommendations.

County of Orange Internal Audit Department
Summary Report on DCR Follow-Up Reviews Issued
For the Period December 13, 2002 through April 3, 2003

Dept./ Agency	Process Review	Audit No.	Original Report Issued	Reported Internal Control Issues	Status on Corrective Actions**	Follow -Up Report Issued
Public Administrator/ Public Guardian	**Secondary** Follow-Up: Cash Receipts	2066	3/20/01 **Initial** Follow-Up issued: 2/14/02	I. Revolving Fund A. Incomplete Receivable Records B. Uncollectible Receivables C. Reconciliation to Authorized Amount II. Recording Cash Receipts III. Inactive Trust Fund IV. Segregation of Duties	I. Implemented II. Implemented III. In Progress** IV. Implemented ****Third follow-up required.**	3/19/03
Public Facilities & Resources Department	**Initial** Follow-Up: Accounts Payable	2134	3/26/02	I. Authorization for Payments II. Maintaining Supporting Documentation III. Invoice Review IV. Supervisory Reviews V. Segregation of Duties VI. Timeliness (of Payments)	I. Implemented II. Partially Implemented* III. Implemented IV. Implemented V. Implemented VI. Implemented *** Second follow-up required.**	3/25/03
County Executive Office	**Secondary** Follow-Up: Cash Receipts	2029	3/14/01 **Initial** Follow-Up issued: 5/16/02	I. Establishing Accountability Over Cash Receipts II. Segregation of Duties III. Physical Safeguards IV. Supervisory Approval & Review V. Reconciliations	I. Implemented II. Implemented III. Partially Implemented** IV. Implemented V. Implemented ** **Third follow-up required.**	3/27/03
County Executive Office	**Secondary** Follow-Up: Revolving Fund	2070	3/14/01 **Initial** Follow-Up issued: 3/7/02	I. Bank and Fund Reconciliations II. Compliance with County Accounting Procedures III. Authorized Fund Amount	I. Partially Implemented** II. Implemented III. Implemented ** **Third follow-up required.**	3/27/03

County of Orange Internal Audit Department
Summary Report on DCR Follow-Up Reviews Issued
For the Period December 13, 2002 through April 3, 2003

Local Redevelopment Authority	**Third** Follow-Up: Revolving Fund	2123	3/7/01 **Initial** Follow-Up issued: 2/11/02 **Secondary** Follow-Up issued: 7/25/02	I. Segregation of Duties II. Bank and Fund Reconciliations III. Compliance with County Accounting Procedures	I. Implemented II. Implemented III. Implemented	3/27/03

*** Notes on Planned Implementation:**
The following are planned actions of the departments/agencies under review for recommendations not fully implemented:

Public Administrator/Public Guardian:

III. Inactive Trust Fund
Monies in the inactive trust fund were escheated and the fund had a zero balance, but the trust fund had not yet been closed. Effective immediately, PA/PG will prepare a letter to the Auditor-Controller requesting closure of the fund.

Public Facilities & Resources Department:

II. Maintaining Supporting Documentation
In Operations & Maintenance, two of twenty purchases tested did not maintain all supporting documentation. The Purchasing Supervisor will advise his staff emphasizing that supporting documents for service completion or goods received be obtained from outlying locations and consistently retained.

County Executive Office – Cash Receipts:

III. Physical Safeguards
CEO/Administration was not depositing cash receipts timely. Effective immediately, Administration will ensure that deposits are made timely. To achieve this, Administration will cross train another employee on the deposit process and will implement a daily supervisory check status report.

County Executive Office – Revolving Funds:

I. Bank and Fund Reconciliations
It appeared fund reconciliations were performed monthly in Data and Network Services; however, the reconciliations and supervisory reviews were not dated. CEO/Office of Information and Technology (formerly Data and Network Services) will prepare the reconciliations monthly and will ensure the fund reconciliations and supervisory reviews are dated.

County of Orange Internal Audit Department
Finding Summary for Cash Loss Reports Issued
For the Period December 13, 2002 through April 3, 2003

Dept./ Agency	Area of Review	Audit No.	Date of Loss/ Audit Review Period	Final Report Issued	Reported Internal Control Issues

Note:
No cash loss reports were issued during this period. There are currently no open cash losses or any requests to review cash losses from the Auditor-Controller.