

County of Orange Internal Audit Department
Findings Summary for Attestation Services & Mandates Issued
For the Period of April 4, 2003 through July 23, 2003

Agency	Review on	Audit No.	Audit Period	Final Report Issued	Internal Control and Compliance Issues Noted
Treasurer-Tax Collector	Full scope financial audit on the Statement Of Assets Held By The County Treasury December 31, 2002.	2208	December 31, 2002	Financial Statement issued May 1, 2003.	Management Letter issued to Treasurer on May 28, 2003; response due by July 28, 2003.
Treasurer-Tax Collector	Review of the Statement Of Assets Held By The County Treasury March 31, 2003.	2305	March 31, 2003	July 15, 2003	None

**County of Orange Internal Audit Department
 Finding Summary for Departmental Control Reviews
 For the Period April 4, 2003 through July 23, 2003**

Dept./Agency	Process Review	Audit No.	Audit Period	Final Report Issued	Reported Internal Control Issues

- Notes:**
1. No final audit reports for Department Control Reviews were issued during this period.
 2. On July 10, 2003, a draft report was issued to the **Clerk-Recorder** for a Department Control Review performed on cash receipts and trust fund disbursements. Per AOC Procedure No. 1, Departments/Agencies are allowed 60 days to submit written responses to the audit recommendations.

**County of Orange Internal Audit Department
Summary Report on DCR Follow-Up Reviews Issued
For the Period April 4, 2003 through July 23, 2003**

Dept./ Agency	Process Review	Audit No.	Original Report Issued	Reported Internal Control Issues	Status on Corrective Actions	Follow-Up Report Issued
Health Care Agency/Animal Care Services	Cash Receipts	2322	11/15/01	I. Information System Controls II. Segregation of Duties III. Establishing Accountability IV. Recording & Depositing V. Physical Safeguards VI. Reconciliation VII. Supervisory Approval & Review	I. Substantially Implemented* II. Substantially Implemented* III. Partially Implemented* IV. Partially Implemented* V. Partially Implemented* VI. Partially Implemented* VII. Partially Implemented* *Second follow-up required.	4/7/03

*** Notes on Planned Implementation:**

The following are planned actions of the departments/agencies under review for recommendations not fully implemented:

Health Care Agency/Animal Care Services:

Note: Responses noted below refer to the hiring of three new positions. As of July 14, 2003, one position was filled and approval to fill the other positions was recently obtained.

- I. **Information System Controls.** Appropriate measures were taken to restrict access to the database system. Implementation of reviews of voided cash receipts will take place when a budgeted supervisory position is filled.
- II. **Segregation of Duties.** HCA/ACS made changes by implementing a lockbox system for cash receipts. Implementation in animal permits/business licenses unit will take place when the budgeted Accounting Assistant II is filled.
- III. **Establishing Accountability.** Controls over mail payments not sent to the lockbox need improvements and will take place when the budgeted Accounting Assistant II is filled.
- IV. **Recording & Depositing.** HCA/ACS supervision will perform periodic spot checks to ensure all transactions were entered and cash receipts properly recorded.
- V. **Physical Safeguards.** Surprise counts of cash drawers, change funds, petty cash, cash differences funds, and independent periodic physical inventories of handwritten receipt books, pet license tags, animal permits, and business license forms will be performed when the budgeted Office Assistant position is filled.
- VI. **Reconciliation.** HCA/ACS will perform and document reviews of daily reconciliations, and will compare deposit orders to the general ledger in a more timely manner when the budgeted Accounting Assistant II or supervisory position is filled.
- VII. **Supervisory Review & Approval.** Same response as VI. above.

**County of Orange Internal Audit Department
 Finding Summary for Cash Loss Reports Issued
 For the Period April 4, 2003 through July 23, 2003**

Dept./ Agency	Area of Review	Audit No.	Date of Loss/ Audit Review Period	Final Report Issued	Reported Internal Control Issues
Health Care Agency	Birth and Death Registration Unit: Cash Receipts: \$1,235.00	2301-04	Loss: 11/5/01 Review Period: 3/31/03 Note: IAD received request from A/C to review cash loss on 3/31/03.	4/8/03	None. Corrective actions taken by HCA were prudent and adequate to minimize the risk of future cash losses from occurring.

Note:

There are currently no open cash losses or any requests to review cash losses from the Auditor-Controller.