



INTERNAL AUDIT DEPARTMENT



Executive Summary of Internal Audit Reports For the Quarter Ended June 30, 2026

Audit Number: 2697

Report Date: August 26, 2026

OC Board of Supervisors

CHAIR DOUG CHAFFEE
4th DISTRICT

VICE CHAIR KATRINA FOLEY
5th DISTRICT

SUPERVISOR JANET NGUYEN
1st DISTRICT

SUPERVISOR VICENTE SARMIENTO
2nd DISTRICT

SUPERVISOR DONALD P. WAGNER
3rd DISTRICT



INTERNAL AUDIT DEPARTMENT

August 26, 2026

To: Chair Doug Chaffee, Supervisor, 4th District
 Vice Chair Katrina Foley, Supervisor, 5th District
 Supervisor Janet Nguyen, 1st District
 Supervisor Vicente Sarmiento, 2nd District
 Supervisor Donald P. Wagner, 3rd District

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

Digitally signed by
 Agripino Alonso
 Date: 2026.08.26
 10:59:43 -07'00'

Subject: Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2026

Attached is our Executive Summary of Internal Audit Reports for the quarter ended June 30, 2026. Specifically, during this quarter we issued two follow-up audit reports. The following is a breakdown of the follow-up audits, with the implementation status of our recommendations:

Follow-Up Audits

1. **First & Final Close-Out Follow-Up Internal Control Audit: District Attorney-Public Administrator Fiduciary Fund 164** (six total recommendations; six implemented/closed)
2. **Second & Final Close-Out Follow-Up Internal Control Audit: OC Waste & Recycling Selected Credit Card Controls** (three total recommendations; three implemented/closed)

If you have any questions, please contact me at (714) 834-5442 or Deputy Director Jose Olivo at (714) 834-5509.

EXECUTIVE SUMMARY
FINDINGS BY CLASSIFICATION CATEGORY
FOR THE QUARTER ENDED JUNE 30, 2026

CATEGORY	ISSUED THIS PERIOD	TOTAL ISSUED FY 2025-26
Critical Control Weaknesses 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.	0	0
Significant Control Weaknesses 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.	0	5
Control Findings These are audit findings concerning internal controls, compliance issues, or efficiency/effectiveness issues that require management's corrective action to implement or enhance processes and internal controls. Control Findings are expected to be addressed within our follow-up process of six months, but no later than twelve months.	0	10
Other Observations Board-Directed Forensic Audit of County Contracts	0	6
TOTAL	0	21



EXECUTIVE SUMMARY
FINAL REPORTS ISSUED
FOR THE QUARTER ENDED JUNE 30, 2026

DISTRICT ATTORNEY-PUBLIC ADMINISTRATOR

**1. First & Final Close-Out Follow-Up Internal Control Audit: District Attorney-Public Administrator
Fiduciary Fund 164**

Audit No. 2405-F1 dated May 5, 2026 as of December 31, 2025; original audit dated March 26, 2025

ORIGINAL AUDIT – 6 FINDINGS		FOLLOW-UP STATUS		PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS (CRITICAL/SIGNIFICANT ONLY)
CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS	IMPLEMENTED/ CLOSED	NOT IMPLEMENTED/ IN PROCESS	
One Significant Control Weakness Finding No. 1 OCDA-PA maintained departmental desk procedures that contained Personally Identifiable Information (PII), including full employee names, employee identification numbers, and the last four digits of their social security numbers. This oversight increased the risk of unauthorized access to PII, potentially leading to identify theft, data breaches, and reputational damage.	5	6	0	

OC WASTE & RECYCLING

2. Second & Final Close-Out Follow-Up Internal Control Audit: OC Waste & Recycling Selected Credit Card Controls

Audit No. 2321-F2 dated May 18, 2026 as of January 31, 2026; original audit dated September 4, 2024

ORIGINAL AUDIT – 3 FINDINGS		FOLLOW-UP STATUS		PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS (CRITICAL/SIGNIFICANT ONLY)
CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDING	IMPLEMENTED/ CLOSED	NOT IMPLEMENTED/ IN PROCESS	
One Significant Control Weakness Finding No. 1 OCWR's Point-of-Sale (POS) System would erroneously create duplicate credit card charges causing variances to the end-of-day revenue and daily bank deposits. OC Information Technology (OCIT), who	1	3	0	



EXECUTIVE SUMMARY
FINAL REPORTS ISSUED (CONTINUED)
FOR THE QUARTER ENDED JUNE 30, 2026

Finding No. 1 (continued) supports OCWR's systems, indicated they and OCWR would work with the POS system vendor to investigate the issue, including reviewing system configurations, system updates, and other potential issues.				
---	--	--	--	--

