AGENDA STAFF REPORT

Control: 26001762

MEETING DATE:	09/29/2026
LEGAL ENTITY TAKING ACTION:	Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S):	All Districts
SUBMITTING AGENCY/DEPARTMENT:	Internal Audit
DEPARTMENT CONTACT PERSON(S):	Aggie Alonso, 714-834-5442 Jose A. Olivo, 714-834-5509

SUBJECT: Status Report for the Quarter Ended June 30, 2026 and Report on Independence

CEO CONCUR	**COUNTY COUNSEL REVIEW**	**CLERK OF THE BOARD**
Concur	No Legal Objection	CONSENT CALENDAR 3 Votes Board Majority

Budgeted: N/A	**Current Year Cost:** N/A	**Annual Cost:** N/A
Staffing Impact: No		**Sole Source:** No
Current Fiscal Year Revenue: N/A	**Funding Source:** N/A	**County Audit in Last 3 years:** No
Levine Act Review Completed? N/A		

Prior Board Action: 6/23/2026 #25, 9/23/2025 #12

RECOMMENDED ACTION(S):

1. Receive and file Internal Audit Department's Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2026
2. Receive and file Internal Audit Department's Fiscal Year 2025-26 Report on Independence

SUMMARY:

Receiving and filing the Executive Summary of Internal Audit Reports and Annual Report on Independence will inform the Board of Supervisors of the ongoing process of internal audit coverage and Internal Audit Department’s independence from interference or influence.

BACKGROUND INFORMATION:

The Internal Audit Department (IAD) issues written reports following the conclusion of each internal audit engagement. The results of the audits are summarized quarterly for the Board of Supervisors (Board) and are presented in the Executive Summary of Internal Audit Reports.

On June 23, 2026, the Board received and filed the Executive Summary of Internal Audit Reports for the period of January to March 2026. The report for this quarter (Attachment A) covers two audit reports issued from April 1, 2026 to June 30, 2026 (Attachments C and D).

IAD adheres to the mandatory guidance issued by the Institute of Internal Auditors, including the Global Internal Audit Standards, which requires that the chief audit executive confirm to the Board, at least annually, the organizational independence of the internal audit activity. The Fiscal Year (FY) 2025-26 Report on Independence confirms that IAD's internal audit activity has been free from interference in determining the scope of internal auditing, performing work, and communicating results (Attachment B). The prior FY 2024-25 Report on IAD's Independence was received by the Board on September 23, 2025.

FINANCIAL IMPACT:
N/A

STAFFING IMPACT:
N/A

REVIEWING AGENCIES/DEPARTMENTS:
N/A

ATTACHMENTS:
Attachment A - Executive Summary of Internal Audit Reports FY 2025-26 Q4
Attachment B - FY 2025-26 Report on Internal Audit Departments Independence
Attachment C - District Attorney-Public Administrator Fiduciary Fund 164 (Audit No. 2405-F1)
Attachment D - OC Waste & Recycling Selected Credit Card Controls (Audit No. 2321-F2)