



INTERNAL AUDIT DEPARTMENT



Executive Summary of Internal Audit Reports For the Quarter Ended December 31, 2025

Audit Number: 2597
Report Date: February 24, 2026

OC Board of Supervisors

CHAIR DOUG CHAFFEE
4th DISTRICT

VICE CHAIR KATRINA FOLEY
5th DISTRICT

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1st DISTRICT

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3rd DISTRICT



INTERNAL AUDIT DEPARTMENT

February 24, 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

Subject: Executive Summary of Internal Audit Reports for the Quarter Ended December 31, 2025

Attached is our Executive Summary of Internal Audit Reports for the quarter ended December 31, 2025. Specifically, during this quarter, we issued four 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 Information Technology Audit: OC Public Works Selected Cybersecurity Controls** (four total recommendations; four implemented/closed)
2. **First Follow-Up Internal Control Audit: Health Care Agency Environmental Health Division Cash Receipts** (ten total recommendations; eight implemented/closed; two in process)
3. **Second and Final Close-Out Follow-Up Information Technology Audit: OCIT Enterprise IT Governance** (four total recommendations; four implemented/closed)
4. **First & Final Close-out Follow-Up Information Technology Audit: OCIT Selected Internet of Things (IoT) Device Security Controls** (two total recommendations; two implemented/closed)

For each report, our executive summary provides the results and planned actions for any critical and significant control weaknesses identified during our review. 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 DECEMBER 31, 2025

| CATEGORY | ISSUED THIS PERIOD | TOTAL ISSUED FY 2025-26 |
|--|--------------------|-------------------------|
| <p>Critical Control Weaknesses</p> <p>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.</p> | 0 | 0 |
| <p>Significant Control Weaknesses</p> <p>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.</p> | 0 | 5 |
| <p>Control Findings</p> <p>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.</p> | 0 | 7 |
| TOTAL | 0 | 12 |



EXECUTIVE SUMMARY
FINAL REPORTS ISSUED
FOR THE QUARTER ENDED DECEMBER 31, 2025

OC PUBLIC WORKS

1. First & Final Close-Out Follow-Up Information Technology Audit: OC Public Works Selected Cybersecurity Controls

Audit No. 2414-F1 dated October 27, 2025 as of June 30, 2025; original audit dated March 31, 2025

| ORIGINAL AUDIT – 4 FINDINGS | | FOLLOW-UP STATUS | | PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS |
|--|------------------|------------------------|--------------------------------|---|
| CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS | CONTROL FINDINGS | IMPLEMENTED/ CLOSED | NOT IMPLEMENTED/ IN PROCESS | |
| 0 | 4 | 4 | 0 | N/A |

HEALTH CARE AGENCY

2. First Follow-Up Internal Control Audit: Health Care Agency Environmental Health Division Cash Receipts

Audit No. 2214-F1 dated November 12, 2025 as of June 16, 2025; original audit dated April 18, 2024

| ORIGINAL AUDIT – 10 FINDINGS | | FOLLOW-UP STATUS | | PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS |
|---|------------------|------------------------|--------------------------------|--|
| CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS | CONTROL FINDINGS | IMPLEMENTED/ CLOSED | NOT IMPLEMENTED/ IN PROCESS | |
| 3 | 7 | 8 | 2 | <p>Recommendation No. 1 Due to the sensitive nature of the finding, details have been redacted from this report.</p> <p>Recommendation No. 3 Subsequent to our original audit and recommendation, HCA/EH revised its procedures to allow clerical staff instead of supervisors to perform secondary reviews. However, this level of review is not sufficient, and HCA/EH should require supervisors to review and ensure there is adequate support for cash receipt amounts. HCA/EH agreed and will update procedures to require supervisors or managers to perform these reviews.</p> |
| <p>Three Significant Control Weaknesses</p> <p>Finding No. 1 Due to the sensitive nature of the finding, details have been redacted from this report.</p> <p>Finding No. 2 HCA/EH lacked formal procedures for cashier submissions to the accounting department.</p> <p>Finding No. 3 HCA/EH staff and supervisors did not follow the required procedures to adequately support cash receipt amounts.</p> | | | | |



EXECUTIVE SUMMARY
FINAL REPORTS ISSUED (CONTINUED)
FOR THE QUARTER ENDED DECEMBER 31, 2025

OC INFORMATION TECHNOLOGY

3. Second & Final Close-Out Follow-Up Information Technology Audit: OCIT Enterprise IT Governance

Audit No. 2242-F2 dated December 17, 2025 as of August 30, 2025; original audit dated March 28, 2024

| ORIGINAL AUDIT – 4 FINDINGS | | FOLLOW-UP STATUS | | PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS |
|--|------------------|------------------------|--------------------------------|---|
| CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS | CONTROL FINDINGS | IMPLEMENTED/ CLOSED | NOT IMPLEMENTED/ IN PROCESS | |
| 0 | 4 | 4 | 0 | N/A |

OC INFORMATION TECHNOLOGY

4. First & Final Close-Out Follow-Up Information Technology Audit: OCIT Selected Internet of Things (IoT) Device Security Controls

Audit No. 2314-F1 dated December 18, 2025 as of June 30, 2025; original audit dated December 17, 2024

| ORIGINAL AUDIT – 2 FINDINGS | | FOLLOW-UP STATUS | | PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS |
|--|-----------------|------------------------|--------------------------------|---|
| CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS | CONTROL FINDING | IMPLEMENTED/ CLOSED | NOT IMPLEMENTED/ IN PROCESS | |
| 1 | 1 | 2 | 0 | N/A |
| <p>One Significant Control Weakness</p> <p>Finding No. 1 The badge reader device management system and surveillance camera system contained generic and default administrative accounts and lacked role-based access controls.</p> | | | | |

