



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT

Recipient of the Institute of Internal Auditors
Award for Recognition of Commitment to
Professional Excellence, Quality and Outreach

Integrity ♦ Objectivity ♦ Independence

ELI LITTNER
CPA, CIA, CFE, CFS, CISA
DEPUTY DIRECTOR

MICHAEL J. GOODWIN
CPA, CIA
SENIOR AUDIT MANAGER

ALAN MARCUM
MBA, CPA, CIA, CFE
SENIOR AUDIT MANAGER

AUTUMN MCKINNEY
CPA, CIA, CGFM
SENIOR AUDIT MANAGER

Office of the Director
DR. PETER HUGHES
Ph.D., MBA, CPA, CIA, CFE, CITP

MAILING ADDRESS:
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CALIFORNIA 92701

TELEPHONE: (714) 834-5475
FAX: (714) 834-2880

EMAIL: peter.hughes@ocgov.com
WEBSITE: www.ocgov.com/audit/

FINAL CLOSE-OUT

Audit No. 2625

February 26, 2007

TO: David E. Sundstrom, Auditor-Controller

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department

SUBJECT: Final Close-Out of the Auditor-Controller Laser Check Printing,
Original Audit No. 2326, Issued September 23, 2003

We were scheduled to complete a Second Follow-Up Audit of the Auditor-Controller Laser Check Printing. The original audit report contained twenty-seven (27) recommendations that were reviewed as part of our First Follow-Up Audit (No. 2523), issued September 30, 2005. The First Follow-Up Audit found the following:

- Eighteen (18) recommendations had been fully implemented.
- Two (2) recommendations were closed.
- Three (3) recommendations had been partially implemented.
- One (1) recommendation was in process.
- Three (3) recommendations were not implemented.

Therefore, a Second Follow-Up would review the status of the remaining seven (7) recommendations.

During the original audit, the laser check printing application, the printing hardware and supplies, and the related support was obtained under a contract with RXLaser (subsequently purchased by NowDocs). After the First Follow-Up Audit, the Auditor-Controller decided to develop a new laser check printing application to replace the RXLaser application. This new application is being developed in-house and supported by the CEO/Office of Information Technology. According to the Auditor-Controller, the new laser check printing application is currently undergoing final testing and is expected to be implemented in approximately one (1) month.

Since the remaining seven (7) recommendations relate to the soon to be replaced RXLaser application and related processes that will change with the new application, we will not perform a Second Follow-Up Audit to determine the implementation status of the remaining (7) recommendations. Instead, we will consider performing a future audit of the new laser check printing application in its entirety in conjunction with our annual risk assessment and audit plan development process. **Therefore, this letter closes out the original audit (No. 2326) of the Auditor-Controller Laser Check Printing.**

cc: Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Shaun Skelly, Chief Assistant Auditor-Controller
Mahesh Patel, Assistant Auditor-Controller, Information Technology
Jan Grimes, Assistant Auditor-Controller, Operations
Larry Chanda, Manager CAPS Administration, Auditor-Controller
Robert Leblow, Senior Manager, Auditor-Controller/Claims and Disbursements
Phillip Daigneau, Manager, Auditor-Controller/CAPS Accounting/Payroll Systems
Satish Ajmani, Chief Information Officer, CEO/Information Technology
Ted Kerekes, Data Systems Division Manager, CEO/Information Technology
Phil Paker, ACS State and Local Solutions
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors