



I n t e r n a l A u d i t D e p a r t m e n t

O R A N G E C O U N T Y

AUDIT HIGHLIGHT

OCTOBER 17, 2012

FINANCIAL AUDITS & MANDATES
AUDIT OF TAX REDEMPTION OFFICER
RECORDS AND ACCOUNTS
For the Three Years Ended June 30, 2011
Audit No. 1113

WHY IS THIS AUDIT IMPORTANT?

This audit is important because this is the only independent audit conducted of the Treasurer-Tax Collector's tax redemption process which calculated and collected over **\$544 million** in delinquent property taxes, interest and penalties for the three years ending June 30, 2011. In addition, this audit is mandated by Section 4108.5 of the California Revenue and Taxation Code.

WHAT THE AUDITORS FOUND?

Successes

We found that the elected Orange County Treasurer-Tax Collector properly calculated and collected over **\$544 million** in delinquent property taxes, interest and penalties for the three years ending June 30, 2011.

Audit Findings and Control Recommendations

We identified **one (1) Significant Control Weakness** and **two (2) Control Findings**. The **Significant Control Weakness** dealt with the segregation of duties over penalty cancellations, and the **Control Findings** dealt with the adequacy of the method used to review processed and approved penalty cancellations; and policies and procedures over redemption account reconciliations.