



Andrew N. Hamilton, CPA Orange County Auditor-Controller



Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2023

Audit Manager: Michael Steinhaus
Auditor II: John C. Lim, CIA

Audit Number 2305
Report Date: April 11, 2024

Internal Audit



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

ANDREW N. HAMILTON, CPA
AUDITOR-CONTROLLER

DATE: April 11, 2024

TO: Treasury Oversight Committee

FROM: Michael Steinhaus, Audit Manager

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2023

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended December 31, 2023. Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-6106.

Other recipients of this report:

Board of Supervisors
Audit Oversight Committee
Dana Schultz, Assistant Treasurer-Tax Collector
Jason Prole, Director of Investments
Brian Winn, Accounting/Compliance Manager
Salvador Lopez, Chief Deputy Auditor-Controller
John Lim, Auditor II
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditors

Internal Auditor's Report

We have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended December 31, 2023. The purpose of our engagement was to determine whether the Treasurer's investment portfolio complied with the Treasurer's Investment Policy Statement (IPS).

We analyzed the FIS Quantum data for 15 business days to perform the following procedures:

1. Authorized Investments (IPS Sections VI, VII, IX, and XI): We selected one investment purchase per day and confirmed that it conformed to the IPS restrictions.
Results: We found no exceptions.
2. Diversification Limits (IPS Section VIII.1): We confirmed that investments did not exceed the diversification limits.
Results: We found no exceptions.
3. Maximum Maturity Limits (IPS Section VIII.2): We confirmed that investments did not exceed the maximum maturity limits.
Results: We found no exceptions.
4. Lower Maturity Limits (IPS Section VIII.1): We confirmed that investments with lower limits than those covered by IPS Section VIII.2 did not exceed the lower maturity limits.
Results: We found no exceptions.
5. Issuer Concentration Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the issuer concentration limits.
Results: We found no exceptions.
6. Financial Reporting (IPS Section XXI): We confirmed that T-TC reported any compliance exceptions in the Treasurer's Monthly Investment Report.
Results: We found no exceptions.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.



Michael Steinhaus
Audit Manager
April 11, 2024