



INTERNAL AUDIT DEPARTMENT



**Second & Final Close-Out Follow-Up
Internal Control Audit:
OC Waste & Recycling
Selected Credit Card Controls
As of January 31, 2026**

**Audit No. 2321-F2
Report Date: May 18, 2026**

Recommendation Status

**FIRST
FOLLOW-UP**

**SECOND
FOLLOW-UP**

2

Implemented

1

1

In Process

0

0

Not Implemented

0

0

Closed

0

Second Follow-Up totals represent findings that were
In Process or Not Implemented at First Follow-Up

OC Board of Supervisors

CHAIR DOUG CHAFFEE
4th DISTRICT

VICE CHAIR KATRINA FOLEY
5th DISTRICT

SUPERVISOR JANET NGUYEN
1st DISTRICT

SUPERVISOR VICENTE SARMIENTO
2nd DISTRICT

SUPERVISOR DONALD P. WAGNER
3rd DISTRICT



INTERNAL AUDIT DEPARTMENT

Audit No. 2321-F2

May 18, 2026

To: Tom Koutroulis
OC Waste & Recycling Director

From: Aggie Alonso, CPA, CIA, CRMA
Internal Audit Department Director

 Digitally signed by Aggie Alonso
Date: 2026.05.18 10:47:29 -07'00'

Subject: Second & Final Close-Out Follow-Up Internal Control Audit: OC Waste & Recycling Selected Credit Card Controls

We have completed a follow-up audit of OC Waste & Recycling (OCWR) Selected Credit Card Controls, original Audit No. 2321 dated September 4, 2024. Details of our results immediately follow this letter. Additional information, including background and our scope, is included in Appendix A.

We followed up on the status of one recommendation from the original audit and concluded that OCWR implemented the recommendation. Since all recommendations were implemented, this report represents the final close-out of the original audit.

We appreciate the assistance extended to us by OCWR personnel during our follow-up audit. If you have any questions, please contact me at (714) 834-5442 or Deputy Director Jose Olivo at (714) 834-5509.

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- County Executive Office Distribution
- OC Waste & Recycling Distribution
- Auditor-Controller Satellite Accounting Operations Distribution
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board
- Crowe LLP, County External Auditor

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RESULTS

FINDING No. 1	Credit Card Payment Variances OCWR's Point-of-Sale (POS) System would erroneously create duplicate credit card charges causing variances to the end-of-day revenue and daily bank deposits. OC Information Technology (OCIT), who supports OCWR's systems, indicated they and OCWR would work with the POS system vendor to investigate the issue, including reviewing system configurations, system updates, and other potential issues.
CATEGORY	Significant Control Weakness
RECOMMENDATION	OCWR management: A. Collaborate with OCIT and the POS system vendor to make the necessary configuration changes and ensure testing is performed for any changes. B. Ensure OCIT performs periodic updates and/or upgrades to their POS system, as necessary. C. Consider another credit card payment processing vendor if the current vendor cannot effectively meet their business needs.
CURRENT STATUS	Implemented. A. OCWR collaborated with the POS system vendor and implemented a pilot program to address the issue causing payment variances at the County's three active landfills. Under the pilot program, OCWR's Fee Station Attendant inserts or taps the customer's credit card to the card reader instead of stretching the reader out the window for the customer to do it. OCWR ran the pilot program at the Olinda Alpha Landfill from July 2025 through November 2025 and no payment variances occurred. In February 2026, OCWR implemented the pilot program at the County's other two landfills, Frank R. Bowerman Landfill and Prima Deshecha Landfill. B. OCWR and OCIT continue to collaborate to update the POS system; OCIT deployed its most recent update on April 12, 2026. C. OCWR management indicated that the POS system vendor is effectively meeting their business needs. Based on the actions taken by OCWR, we consider this recommendation implemented.

AUDIT TEAM	Michael Dean, CPA, CIA, CISA Tina Dinh Thuy Luu	Assistant Deputy Director Senior Auditor Administrative Services Specialist
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APPENDIX A: ADDITIONAL INFORMATION

SCOPE	Our follow-up audit was limited to reviewing actions taken by OCWR as of January 31, 2026, to implement one recommendation from the original audit, dated September 4, 2024.
BACKGROUND	The original audit evaluated the operational effectiveness of internal control over OCWR Selected Credit Card Controls. The original audit identified two Significant Control Weaknesses and one Control Finding.



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APPENDIX B: FOLLOW-UP AUDIT IMPLEMENTATION STATUS

Implemented	In Process	Not Implemented	Closed
<p>The department has implemented our recommendation in all respects as verified by the follow-up audit. No further follow-up is required.</p>	<p>The department is in the process of implementing our recommendation. Additional follow-up may be required.</p>	<p>The department has taken no action to implement our recommendation. Additional follow-up may be required.</p>	<p>Circumstances have changed surrounding our original finding/ recommendation that: (1) make it no longer applicable or (2) the department has implemented and will only implement a portion of our recommendation. No further follow-up is required.</p>

