



Interoffice Memorandum

AGENDA ITEM

February 28, 2019

TO: Mayor Jerry L. Demings  
-AND-  
Board of County Commissioners

FROM: Kurt N. Petersen, Manager, Office of Management and Budget *K.N.P.*

SUBJECT: Consent Agenda Item for March 26, 2019  
Acceptance of Audit Report

Section 712 of the Orange County Charter requires the Board to order audits, including performance audits, of the Orange County Comptroller. The most recent audit, which focused on the Tourist Development Tax Collection process, was concluded by the audit company of Withum, Smith & Brown on October 24, 2018.

**ACTION REQUESTED:**                    **Acceptance of Orange County, Florida Office of Management and Budget Application of Agreed-Upon Procedures with respect to the Tourist Development Tax Collection Process of the Orange County, Florida Comptroller's Office as of June 30, 2018 with Independent Account's Report on Applying Agree-Upon Procedures.**

KP/DH

c: County Administrator  
Clerk of the Board of County Commissioners  
Finance  
File

ACCEPTED BY ORANGE  
COUNTY BOARD OF COUNTY  
COMMISSIONERS

BCC Mtg. Date: March 26, 2019



**ORANGE COUNTY, FLORIDA OFFICE OF MANAGEMENT AND BUDGET**  
**Application of Agreed-Upon Procedures**  
**With Respect to the Tourist Development Tax Collection Process of the**  
**Orange County, Florida Comptroller's Office**  
**As of June 30, 2018**  
**With Independent Accountants' Report on Applying Agreed-Upon Procedures**

**withum**   
AUDIT TAX ADVISORY

**Orange County, Florida Office of Management and Budget  
June 30, 2018**

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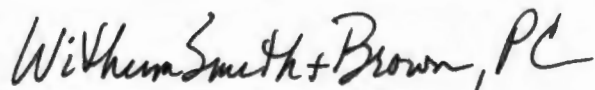
## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor Theresa Jacobs  
and the Board of County Commissioners  
Orange County, Florida

We have performed the procedures enumerated on pages 6 through 11, which were agreed to by Orange County, Florida Office of Management and Budget (the "specified party"), solely to assist you in evaluating the Tourist Development Tax collection process of the Orange County, Florida Comptroller's Office as of June 30, 2018. The management of Orange County, Florida Comptroller's Office is responsible for the County's tax collection processes. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described on pages 6 through 11 either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards contained in Government Auditing Standards issued by the Comptroller General of the United States ("Yellow Book") and the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination, or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Tourist Development Tax collection process of the Orange County, Florida Comptroller's Office. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Orange County, Florida Office of Management and Budget and is not intended to be used, and should not be used, by anyone other than those specified parties.



October 24, 2018



**EXECUTIVE SUMMARY**

**Orange County, Florida Office of Management and Budget  
Executive Summary  
As of June 30, 2018**

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We performed agreed-upon procedures with respect to the Tourist Development Tax ("TDT") collection process of the Orange County, Florida Comptroller's Office. The objectives of our agreed-upon procedures were:

1. To observe management and control policies and procedures for risk assessment.
2. To observe transactions to ensure procedures are being followed.
3. To test a sample of potential vendors for completeness.
4. To observe reports and trends for accuracy, cut-off, and classification.
5. To test credits and trends to test that tax occurrence is properly recorded.
6. To test policies and procedures to ensure compliance with appropriate regulations.
7. To test procedures for taxpayer audits, including:
  - Selection of taxpayers
  - Testing procedures
  - Records retention, confidentiality, and compliance

**RECOMMENDATIONS**

We recommend the following as they relate to the TDT collection process:

**Management and Control Policies and Procedures for Risk Assessment**

- The Finance and Accounting Department should review the published policies and procedures manuals and ensure that the identified owners are overseeing their respective processes and that they are being performed consistent with the published documents.
- The County Audit Division should implement a policy of formally documenting all risk assessment discussions. These discussions should occur regularly with regards to overall risk of the TDT population and collections of TDT funds. The dealer specific risk discussions for each dealer audit should take place during the planning stage of the audit and be documented in the audit binder.

**Sample Potential Vendors for Completeness**

- The County Audit Division should formalize a policy to periodically (at least quarterly) review RISE reports from the state of Florida for new hotel licenses issued. Any Orange County hotels noted on the report should be traced to the list of registered dealers in Orange County.

**Procedures for Taxpayer Audits**

- The County Audit Division should document a formalized audit selection process which ensures that the full population of Orange County dealers is considered and that all high risk indicators are considered.
- The County Audit Division should implement a best practice of documenting all reviews as they occur. Additionally, the County Audit Division should implement and adhere to a policy that every audit report requires documented approval in the audit binder before issuance.

Refer to Findings, Recommendations, and Management's Responses section for responses from the Orange County, Florida Comptroller's Office.

**See Independent Accountants' Report on Applying Agreed-Upon Procedures.**



**SCOPE, OBJECTIVES, AND METHODOLOGY**

**Orange County, Florida Office of Management and Budget  
Scope, Objectives, and Methodology  
As of June 30, 2018**

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**MANAGEMENT AND CONTROL POLICIES AND PROCEDURES FOR RISK ASSESSMENT**

The scope of management and control policies and procedures for risk assessment consists of the policies and procedures in effect as of June 30, 2018.

The objective is to have control policies and procedures set forth by management of the Orange County, Florida Comptroller's Office sufficient to reduce risks related to the TDT collection process to a sufficiently low level.

Procedures performed include the following:

- A. Obtain the "Office of Comptroller, Orange County, Tourist Development Tax Policies."
- B. Obtain the "Orange County Comptroller, Department of Finance and Accounting, Tourist Development Tax Procedures Manual."
- C. Obtain the "Orange County Comptroller's Office, County Audit Division, Policies and Procedures."
- D. Obtain the "Orange County Comptroller, County Audit Division, Tourist Development Tax Manual, Delinquent Account Collection Procedures."
- E. Obtain the Orange County Comptroller's Office, County Audit Division, Organizational Chart.
- F. Obtain the Orange County Comptroller's Office, Department of Finance and Accounting, Organizational Chart.
- G. Interview the Orange County Comptroller's Office, Department of Finance and Accounting, regarding risk assessment practices.
- H. Interview the Orange County Comptroller's Office, County Audit Division, regarding risk assessment practices.

**OBSERVE TRANSACTIONS TO ENSURE PROCEDURES ARE BEING FOLLOWED**

The scope of the observation of transactions includes all TDT active accounts as of June 30, 2018.

The objective is to observe procedures in place for the TDT collection process in accordance with items obtained in connection with "Management and Control Policies and Procedures for Risk Assessment."

The procedures performed include the following:

- A. Select twenty-five (25) registered dealers haphazardly from the Comptroller's Office list of active TDT accounts as of May 31, 2018. For the vendors selected, review documentation for TDT filings and payments for June 2018. Analyze for proper remittances and filings with the Comptroller's Office as follows:
  1. TDT return was filed timely during the month selected.
  2. Payment was remitted timely and in an amount consistent with the TDT return filed.
  3. Late remittances and failures to file, if any, were appropriately identified and penalties were applied.
  4. Amount filed on TDT return and remitted as payment was consistent with TDT rate policies for Orange County, Florida.
- B. Obtain the list of delinquent filings as of May 31, 2018 and perform the following procedures for each registered dealer on the list:
  1. Observe evidence that notices of delinquent filings were produced in accordance with applicable policies and procedures.
  2. Observe evidence that registered dealers that have not completed the required TDT filings and/or made the applicable TDT payments have been penalized appropriately under Florida law, including freezing of bank accounts, liens, and levies.



**Orange County, Florida Office of Management and Budget  
Scope, Objectives, and Methodology  
As of June 30, 2018**

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- C. Interview the Orange County Comptroller's Office, Department of Finance and Accounting, and the Orange County Comptroller's Office, County Audit Division personnel regarding their awareness of applicable policies and procedures and the relation of common practices to the applicable policies and procedures.

**SAMPLE POTENTIAL VENDORS FOR COMPLETENESS**

The scope of potential vendors for completeness includes all providers of transient accommodations in Orange County, Florida.

The objectives are to identify procedures regarding completeness of the dealer population and to sample transient accommodation providers within the Orange County TDT jurisdiction for proper remittance of TDT and filing of TDT returns.

The procedures performed include the following:

- A. Interview Director of County Audit regarding procedures for ensuring completeness of the TDT vendor population.
- B. Obtain the most recent completeness study.
- C. Select a sample of twenty-five (25) transient accommodation providers from an internet search and perform the following procedures:
  - 1. Determine whether provider is within the Orange County jurisdiction for TDT. For vendors determined to be within the Orange County jurisdiction for TDT, trace to list of active TDT accounts.

**REPORTS AND TRENDS REGARDING ACCURACY, CUT-OFF, AND CLASSIFICATION**

The scope of reports and trends consists of reports generated by the Orange County, Florida Comptroller's Office related to TDT revenue on a monthly basis.

The objective is that management has reports to identify trends and potential unusual activity.

The procedures performed include the following:

- A. Obtain monthly TDT collection reports for TDT earned in May 2018.
- B. Interview Director of County Audit and Finance and Accounting personnel regarding procedures performed regarding review of monthly reports for TDT collection.

**CREDITS AND TRENDS REGARDING THE PROPER RECORDING OF TAX OCCURRENCE**

The scope of credits issued to dealers related to TDT remittances includes month ended May 31, 2018.

The objective is to observe that credits and exemptions are recorded and properly applied to dealer accounts and that the credits are issued for valid reasons. The objective is also that trends in amount of credits issued are monitored.

The procedures performed include the following:

- A. Interview of Director of County Audit regarding the items that are appropriate for credits on dealer TDT filings and how these are monitored.
- B. Obtain audit files as selected under "Procedures for Taxpayer Audits", observe credits reported and compare to the items noted as appropriate for credits.

**Orange County, Florida Office of Management and Budget  
Scope, Objectives, and Methodology  
As of June 30, 2018**

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**POLICIES AND PROCEDURES FOR COMPLIANCE WITH APPROPRIATE REGULATIONS**

The scope is policies and procedures in place as of June 30, 2018.

The objective is to observe that the Orange County, Florida Comptroller's Office has policies and procedures to ensure compliance with appropriate regulations.

The procedures performed include the following:

- A. Obtain the "Office of Comptroller, Orange County, Tourist Development Tax Policies."
- B. Obtain the "Orange County Comptroller, Department of Finance and Accounting, Tourist Development Tax Procedures Manual."
- C. Obtain the "Orange County Comptroller's Office, County Audit Division, Policies and Procedures."
- D. Obtain the "Orange County Comptroller, County Audit Division, Tourist Development Tax Manual, Delinquent Account Collection Procedures."

**PROCEDURES FOR TAXPAYER AUDITS**

The scope consists of TDT vendor audits in process or issued in fiscal year 2017-2018.

The objective is to observe taxpayer audits performed by the Orange County, Florida Comptroller's Office to support that the TDT collection process is properly designed and implemented.

The procedures performed include the following:

- A. Obtain the Orange County, Florida Comptroller's Office policy for the selection of taxpayers to be audited.
- B. Interview the Orange County, Florida Comptroller's Office Director of County Audit regarding dealer audit selection and the audit process.
- C. Select five (5) taxpayer audits performed during the fiscal year. For each taxpayer audit selected, perform the following procedures:
  1. Obtain taxpayer file, including monthly TDT remittances and filings.
  2. Obtain audit program for TDT audits including indication of assertions.
  3. Obtain audit binders for performance and documentation of procedures enumerated in the audit program.



**RESULTS OF AGREED-UPON PROCEDURES**

**Orange County, Florida Office of Management and Budget  
Results of Agreed-Upon Procedures  
As of June 30, 2018**

**MANAGEMENT AND CONTROL POLICIES AND PROCEDURES FOR RISK ASSESSMENT**

Step No.	Procedures Performed	No Finding Noted	Finding Noted	Comments/Description
A.	Obtained the "Office of Comptroller, Orange County, Florida Tourist Development Tax Policies."	√		Received from Orange County, Florida Comptroller's Office.
B.	Obtained the "Orange County Comptroller, Department of Finance and Accounting, Tourist Development Tax Procedures Manual."	√		Received from Orange County, Florida Comptroller's Office.
C.	Obtained the "Orange County Comptroller's Office, County Audit Division, Policies and Procedures."	√		Received from Orange County, Florida Comptroller's Office.
D.	Obtained the "Orange County Comptroller, County Audit Division, Tourist Development Tax Manual, Delinquent Account Collection Procedures."	√		Received from Orange County, Florida Comptroller's Office.
E.	Obtained the Orange County Comptroller's Office, County Audit Division, Organizational Chart.	√		Received from Orange County, Florida Comptroller's Office.
F.	Obtained the Orange County Comptroller's Office, Department of Finance and Accounting, Organizational Chart.	√		Received from Orange County, Florida Comptroller's Office.
G.	Interviewed the Orange County Comptroller's Office, Department of Finance and Accounting, regarding risk assessment practices.		√	Occurred on July 3, 2018. Primary discussion focused on policies and procedures in relation to risk assessment and mitigation.
H.	Interviewed the Orange County Comptroller's Office, County Audit Division, regarding risk assessment practices.		√	Occurred initially on July 10, 2018, with a follow-up discussion on July 16, 2018. Primary discussion focused on policies and procedures in relation to risk assessment and mitigation.

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

**Orange County, Florida Office of Management and Budget  
Results of Agreed-Upon Procedures  
As of June 30, 2018**

**OBSERVE TRANSACTIONS TO ENSURE PROCEDURES ARE BEING FOLLOWED**

Step No.	Procedures Performed	No Findings Noted	Findings Noted	Comments/Description
A.	Selected twenty-five (25) registered dealers haphazardly from the Comptroller's Office list of active TDT accounts as of May 31, 2018. For the vendors selected, reviewed documentation for TDT filings and payments for June 2018. Analyzed for proper remittances and filings with the Comptroller as follows:	√		Selected from list of active dealers as of May 31, 2018, as these are dealers that would be expected to file a return and remit TDT in June 2018.
A1.	TDT return was filed timely during the month selected.	√		All returns tested were filed prior to June 20, 2018.
A2.	Payment was remitted timely and in an amount consistent with the TDT return filed.	√		All payments were remitted timely and in amounts consistent with the filed returns.
A3.	Late remittances and failures to file, if any, were appropriately identified and penalties were applied.	√		No late remittances or failures to file were noted in the sample selected.
A4.	Amount filed on TDT return and remitted as payment was consistent with TDT rate policies for Orange County, Florida.	√		The TDT rate was recalculated for each selected dealer without exception.

**Orange County, Florida Office of Management and Budget  
Results of Agreed-Upon Procedures  
As of June 30, 2018**

Step No.	Procedures Performed	No Findings Noted	Findings Noted	Comments/Description
B.	Obtained the list of delinquent filings as of May 31, 2018 and performed the following procedures for each registered dealer on the list:	√		Selected the May 31, 2018 delinquent list as these are the dealers which would be expected to be contacted in June 2018.
B1.	Observed evidence that notices of delinquent filings were produced in accordance with applicable policies and procedures.	√		Noted that notices of delinquency were sent to dealers in accordance with Orange County policies without exception. Based on discussions with County Audit Division, the list of delinquent filers and remitters generally contains the same dealers on a monthly basis, that they are familiar with these dealers, and are in the process of working with those dealers to bring them into compliance.
B2.	Observed evidence that registered dealers that have not completed the required TDT filings and/or made the applicable TDT payments have been penalized appropriately under Florida law, including freezing of bank accounts, liens, and levies.	√		Noted that the dealers who were substantially delinquent had been placed on a payment contract to avoid further penalties.
C.	Interviewed the Orange County Comptroller's Office, Department of Finance and Accounting, and the Orange County Comptroller's Office, County Audit Division personnel regarding their awareness of applicable policies and procedures.	√		Occurred on July 3, 2018 and July 16, 2018. All personnel interviewed indicated that they had an understanding of the Orange County published policies and procedures as they relate to the collection of TDT.

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

**Orange County, Florida Office of Management and Budget  
Results of Agreed-Upon Procedures  
As of June 30, 2018**

**SAMPLE POTENTIAL VENDORS FOR COMPLETENESS**

Step No.	Procedures Performed	No Findings Noted	Findings Noted	Comments/Description
A.	Interviewed Director of County Audit regarding procedures for ensuring completeness of the TDT vendor population.		√	Occurred on July 16, 2018. Discussion focused on the procedures in place to ensure that all dealers register with Orange County.
B.	Obtained the most recent completeness study.	√		The County Audit Division has an ongoing project to identify single family homes which may be considered dealers but are unregistered. The current copy of the project was provided.
C.	Selected a sample of twenty-five (25) transient accommodation providers from an internet search and performed the following procedures:	√		Sample was haphazardly selected from various regions of Orange County.
C1.	Determined whether provider is within the Orange County jurisdiction for TDT. For vendors determined to be within the Orange County jurisdiction for TDT, traced to list of active TDT accounts.	√		All vendors selected were registered and active TDT dealers with Orange County.

**REPORTS AND TRENDS REGARDING ACCURACY, CUT-OFF, AND CLASSIFICATION**

Step No.	Procedures Performed	No Findings Noted	Findings Noted	Comments/Description
A.	Obtained monthly TDT collection reports for TDT earned in May 2018.	√		No indications of issues with accuracy, cut-off, and classification.
B.	Interviewed Director of County Audit and Finance and Accounting personnel regarding procedures performed regarding review of monthly reports for TDT collection.	√		Occurred on July 3, 2018 and July 16, 2018. Discussion focused on procedures and available reporting regarding TDT collections and trends.

See Independent Accountants' Report on Applying Agreed-Upon Procedures.

**Orange County, Florida Office of Management and Budget  
Results of Agreed-Upon Procedures  
As of June 30, 2018**

**CREDITS AND TRENDS REGARDING THE PROPER RECORDING OF TAX OCCURRENCE**

Step No.	Procedures Performed	No Findings Noted	Findings Noted	Comments/Description
A.	Interviewed Director of County Audit regarding the items that are appropriate for credits and exemptions on dealer TDT filings and how these are monitored.	√		Occurred on July 16, 2018. Discussion included a comprehensive overview of the common exemptions noted by the County Audit Division and how they are tested to ensure proper application.
B.	Obtained audit files as selected under "Procedures for Taxpayer Audits", observed credits reported and compared to the items noted as appropriate for credits.	√		See "Procedures for Taxpayer Audits."

**POLICIES AND PROCEDURES FOR COMPLIANCE WITH APPROPRIATE REGULATIONS**

Step No.	Procedures Performed	No Findings Noted	Findings Noted	Comments/Description
A.	Obtained the "Office of Comptroller, Orange County, Tourist Development Tax Policies."	√		Received from Orange County, Florida Comptroller's Office.
B.	Obtained the "Orange County Comptroller, Department of Finance and Accounting, Tourist Development Tax Procedures Manual."	√		Received from Orange County, Florida Comptroller's Office.
C.	Obtained the "Orange County Comptroller's Office, County Audit Division, Policies and Procedures."	√		Received from Orange County, Florida Comptroller's Office.
D.	Obtained the "Orange County Comptroller, County Audit Division, Tourist Development Tax Manual, Delinquent Account Collection Procedures."	√		Received from Orange County, Florida Comptroller's Office.

See Independent Accountants' Report on Applying Agreed-Upon Procedures.



**Orange County, Florida Office of Management and Budget  
Results of Agreed-Up Procedures  
As of June 30, 2018**

**PROCEDURES FOR TAXPAYER AUDITS**

Step No.	Procedures Performed	No Findings Noted	Findings Noted	Comments/Description
A.	Obtained the Orange County, Florida Comptroller's Office policy for the selection of taxpayers to be audited.	√		Obtained through discussion with Director of County Audit.
B.	Interviewed the Orange County, Florida Comptroller's Office Director of County Audit regarding dealer audit selection and the audit process.		√	Occurred on July 16, 2018. Discussion focused on the method used to select each taxpayer for audit.
C.	Selected five (5) taxpayer audits performed during the fiscal year. For each taxpayer audit selected, performed the following procedures:	√		
C1.	Obtained taxpayer file, including monthly TDT remittances and filings.	√		Obtained through access of the County TDT website and portal.
C2.	Obtained audit program for TDT audits, including indication of assertions.	√		Obtained in conjunction with the audit binders.
C3.	Obtained audit binders for performance and documentation of procedures enumerated in the audit programs.		√	Obtained the binder for each audit selected.



**FINDINGS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES**

**Orange County, Florida Office of Management and Budget  
Findings, Recommendations, and Management's Responses  
As of June 30, 2018**

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**MANAGEMENT AND CONTROL POLICIES AND PROCEDURES FOR RISK ASSESSMENT**

**1. Finding**

During our interview of the Finance and Accounting Department, we noted that although the formal policies and procedures name specific process owners, there are certain processes that are performed on an ad hoc or rotating basis. The departure from the defined policies and procedures and identified process owners increases the risk that certain procedures may be overlooked or performed by a team member lacking adequate training or experience.

**Recommendation**

The Finance and Accounting Department should review the published policies and procedures manuals and ensure that the identified owners are overseeing their respective processes to ensure they are being performed consistent with the published documents.

**Management's Response**

Management concurs and is currently working to establish formal review responsibilities for certain processes. Staff members in the Finance and Accounting Department are experienced and knowledgeable, so the ad hoc/rotating review basis has historically been effective on the limited processes identified. The Finance and Accounting Department will continue to regularly review policies and procedure to ensure compliance.

**2. Finding**

During our interview of the County Audit Division, we noted that although risk assessments appear to be occurring for audits and for ensuring completeness of the registered dealer population, there is not adequate documentation of the procedures being performed. Specifically, with regards to the risk assessment for each TDT audit, there is no documentation of the discussion amongst the County Audit Division regarding the specific risks for the selected dealer.

**Recommendation**

The County Audit Division should implement a policy of formally documenting all risk assessment discussions. These discussions should occur regularly with regards to the overall risk of the TDT population and collections of TDT funds. The dealer specific risk discussions for each dealer audit should take place during the planning stage of the audit and be documented in the audit binder.

**Management's Response**

Management concurs and will incorporate documentation of our regularly occurring audit status meetings into our working papers. This will document that risks are considered during audit planning and testing.

**SAMPLE POTENTIAL VENDORS FOR COMPLETENESS**

**3. Finding**

During our interview of the County Audit Division, we noted that there is no formal procedure in place for ensuring that all dealers registered with the state of Florida are registered dealers with Orange County.

**Recommendation**

The County Audit Division should formalize a policy to periodically (at least quarterly) review RISE reports from the state of Florida for new hotel licenses issued. Any Orange County dealers noted on the report should be traced to the list of registered dealers in Orange County.

**Orange County, Florida Office of Management and Budget  
Findings, Recommendations, and Management's Responses  
As of June 30, 2018**

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**Management's Response**

Management concurs. This process has been performed in the past. Over the years, management has developed and used other methods for identifying unregistered dealers. Management will reincorporate the quarterly review of RISE data into our process.

**PROCEDURES FOR TAXPAYER AUDITS**

**4. Finding**

During our interview of the County Audit Division, we noted that there is no documented, formal policy for selecting taxpayers for audit. Currently, a region of Orange County is selected on the basis of judgment by the Director of County Audit. Within the selected region, taxpayers are selected based primarily on an analysis of variations in TDT per bed amongst the regional peer group. Although this process identifies dealers which the County Audit Division considers to be high risk, without a documented, formal policy the risk is increased that certain regions may not receive adequate attention and that other dealer risk indicators may not be included.

**Recommendation**

The County Audit Division should document a formalized audit selection process which ensures that the full population of Orange County dealers is considered and that all high risk indicators are considered.

**Management's Response**

Management concurs. The current risk assessment method is an effective mechanism to segment the large population of TDT dealers into more meaningful subsets. The segmented data allows us to identify outliers in the reported hotel revenues and exemptions among like peers. This process will be formally documented and continually reviewed for effectiveness.

**5. Finding**

During our procedures for the audit binders, we noted that although each audit binder is ultimately reviewed, there was a lack of documentation of this review including missing reviewer signoffs on key workpapers. Additionally, we noted that for two of the five audits selected, the audit report was issued without documentation in the audit binder that the review process was complete.

**Recommendation**

The County Audit Division should implement a best practice of documenting all reviews as they occur. Additionally, the County Audit Division should implement and adhere to a policy that every audit report requires documented approval in the audit binder before issuance.

**Management's Response**

Management concurs. Supervisory review is performed in status meetings and emails, but we agree the working papers do not include evidence of supervisory review and our procedures will be modified to ensure each working paper contains this evidence.