February 26, 2007

TO: David E. Sundstrom, Auditor-Controller

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


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  
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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