

OFFICE OF AUDITS & ADVISORY SERVICES



WIRE TRANSFERS AUDIT

FINAL REPORT

Chief of Audits: Juan R. Perez
Audit Manager: Lynne Prizzia, CISA, CRISC
Auditor II: Christopher Efird, CPA
Auditor I: Erich Hannon

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County of San Diego

TRACY M. SANDOVAL
DEPUTY CHIEF ADMINISTRATIVE OFFICER/
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER
OFFICE OF AUDITS & ADVISORY SERVICES
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261
Phone: (858) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

September 3, 2015

TO: Dan McAllister, Treasurer-Tax Collector
Treasurer-Tax Collector

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: WIRE TRANSFERS AUDIT

Enclosed is our report on the Wire Transfers Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ
Chief of Audits

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Enclosure

c: Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Damien Quinn, Group Finance Director, Finance and General Government Group

INTRODUCTION

Audit Objective	The Office of Audits & Advisory Services (OAAS) completed an audit of Wire Transfers. The objective of the audit was to evaluate the adequacy and effectiveness of internal controls over wire transfer operations. Areas under review included, but were not limited to, policies and procedures, security, segregation of duties, proper authorization, and accurate completion of wire transfers.
Background	The County of San Diego (County) Treasurer-Tax Collector (TTC) processes wire transfer requests for other County departments and pool participants initiated through the Wire Administration Request Portal (WARP) system. The County pool includes mandatory and voluntary participants. Mandatory participants include K-12 school districts, community college districts, fire protection districts and water districts. Voluntary participants include cities and various special districts that are not required to invest their monies in the County pool and do so only as an investment option. The TTC processes WARP requests daily via Automated Clearing House (ACH) or FEDWIRE. The County has contracted with Wells Fargo to provide wire transfer services through their Commercial Electronic Office (CEO) online portal. ACH transactions are processed one business day in advance and are for recurring transfers from the County to the pool participant's operating account. FEDWIREs are used for escrow/bond payments, health premiums (when ACH is not available), and investments.
Audit Scope & Limitations	The scope of the audit included a review of current TTC internal controls over wire transfer operations, focusing on the adequacy and effectiveness of TTC's wire transfer policies and procedures and the user access administration for the WARP and Wells Fargo CEO systems. This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.
Methodology	OAAS performed the audit using the following methods: <ul style="list-style-type: none">• Interviewed key TTC personnel on policies, processes, and requirements relevant to the wire transfer operations.• Determined the adequacy of controls in place for the administration of wire transfers.• Assessed existing policies and procedures followed to process wire transfer requests through the WARP system.

- Examined a sample of wire transfers to verify the wire transfers were properly initiated and reviewed/approved.
- Examined a sample of wire transfers to verify that the transfers were properly recorded in the Oracle E-Business Suite system.
- On a sample basis, reviewed user access administration to ensure user access is managed and monitored appropriately by management for the WARP and Wells Fargo CEO systems.

AUDIT RESULTS

Summary

Within the scope of the audit, OAAS determined with reasonable assurance that TTC has designed and implemented adequate internal controls over the wire transfer operations and these controls are working effectively, without exception.

Office of Audits & Advisory Services

C ompliance R eliability E ffectiveness A ccountability T ransparency E fficiency

VALUE