

**EXHIBIT A**

**IAD'S MONTHLY ACTIVITY REPORT**  
**FOR**  
**DECEMBER 2005**  
**TO THE**  
**BOARD OF SUPERVISORS**

*The Internal Audit Department is an independent audit function reporting directly to the Orange County Board of Supervisors.*

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**by the Director of Internal Audit**  
**Dr. Peter Hughes, MBA, CPA**

Certified Information Technology Professional (CITP),  
Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE)



*Integrity*  
*Objectivity*  
*Independence*

Assistance in assembling this report provided by:

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**MONTHLY SUMMARY – DECEMBER 2005**  
Status Report to the Board of Supervisors by IAD

DECEMBER AUDIT ACTIVITY:

**WE FINISHED 2 PROJECTS THIS MONTH:**

We completed 1 Audit:

1. We found the financial statement presents fairly, in all material respects, the approved budget, expenditures, and costs claimed and accepted for the District Attorney's Office Audit of Spousal Abuser Prosecution Program, for Fiscal Year Ending June 30, 2005.

We completed 1 Follow-Up Audit:

2. Clerk-Recorder – 1<sup>st</sup> Follow-Up Audit of Limited Review of Changes to Cashiering System: Corrective actions were taken on all 13 recommendations

**MONTHLY SUMMARY – DECEMBER 2005**  
Status Report to the Board of Supervisors by IAD

**MATERIAL FINDINGS:**

	Department and Description	Comments
		None for the month of December 2005.

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**NON-MATERIAL FINDINGS**

	<b>Department and Description</b>	<b>Comments</b>
1.	<p>DEPT: District Attorney</p> <p>TITLE: Audit of Spousal Abuser Prosecution Program (Grant Award No. 04SA11B017)</p> <p><u>Audit No.</u> 2514</p> <p>ISSUED: December 1, 2005</p>	<p><b>SCOPE:</b> We audited the District Attorney (DA) Office’s financial statements for the Grant to determine that budgeted amounts, expenditures, and costs claimed and accepted were fairly stated, i.e., the amounts are recorded accurately, completely, and timely. Also, in planning and performing our audit we reviewed internal controls over financial reporting and performed tests of the DA Office’s compliance with certain laws, regulations and grant requirements.</p> <p><b>CONCLUSION:</b> In our opinion, the financial statements presents fairly, in all material respects, the approved budget, cumulative expenditures, and allowable costs. In addition, we found no matters involving the internal controls that we considered a material weakness and nothing came to our attention that caused us to believe that the DA office’s had not complied with the laws, regulations, and grant requirements tested.</p> <p><b>BACKGROUND:</b> The grant is funded by the California Department of Justice, and the 2004/2005 fiscal year grant award totaled \$95,033. The grant requires the DA to provide a 20% (\$19,007) in-kind match, which is funded from the County General Fund.</p> <p>The grant agreement requires that the DA obtain an annual audit of the financial statements. The DA has the option of outsourcing the audit to an outside CPA firm or requesting that the County Internal Audit Department conduct the audit.</p> <p><b>TYPE OF RECOMMENDATIONS:</b> None</p>

**MONTHLY SUMMARY – DECEMBER 2005**  
 Status Report to the Board of Supervisors by IAD

	Department and Description	Comments
2.	<p>DEPT: Clerk-Recorder</p> <p>TITLE: Final Close-Out, First Follow-Up Audit of Limited Review of Changes to the Cashiering System, Original Audit 2244</p> <p><u>Audit No.</u> 2565</p> <p>ISSUED: December 8, 2005</p>	<p><b>SCOPE:</b> 1<sup>st</sup> Follow-Up Audit of our limited review of the Changes to the Clerk-Recorder’s Cashiering System to determine the implementation status of 13 recommendations made in our original audit report dated March 27, 2003. No material weaknesses or significant issues were identified in the original audit.</p> <p><b>CONCLUSION:</b> We are pleased to report that satisfactory corrective action has taken place on all 13 recommendations. As such, this report represents the final close-out of the original audit.</p> <p><b>BACKGROUND:</b> The primary purpose of our original limited review was to determine whether any of the changes implemented in the November 2, 2002 deployment of the Cashiering System impacted internal controls. If the changes impacted internal controls, we reviewed the changes to determine that internal controls were not negatively impacted. We also reviewed general computer controls using an internal control questionnaire, as related to the Cashiering System application and documentation for the testing and deploying phases of the software development lifecycle. As our review was limited to the changes to the system, we did not perform an application review of the Cashiering System in its entirety nor did we review or test the integrity of the data contained therein.</p> <p><b><u>TYPE OF RECOMMENDATIONS:</u></b> Programmer access to production datasets; local administrator rights granted to users; void and refund audit trails; void reviews; testing documentation; user reference and support materials; system development procedures; information system policies and procedures; automatic workstation lock-out; and multiple log-ons by one user.</p>