



PETER HUGHES, Ph.D., CPA, CIA, CFE, CITP  
Director

400 Civic Center Drive West  
Building 12, Room 232  
Santa Ana, California 92701-4521

(714) 834-5475 Fax: (714) 834-2880

INTERNAL AUDIT DEPARTMENT

File No. 2207

November 26, 2002

TO: David E. Sundstrom  
Auditor-Controller

Attention: Jim McConnell, Assistant Auditor Controller, Central Operations

SUBJECT: Report on Agreed-upon Procedures applied to the  
Statement of Assets Held by the County Treasury

Attached is a copy of our Report on Agreed-upon Procedures applied to the Statement of Assets Held by the County Treasury for the period as of September 30, 2002 (Audit No. 2207).

Respectfully submitted,

A handwritten signature in cursive script that reads "Peter Hughes".

Dr. Peter Hughes, CPA  
Director, Internal Audit

/PH:plp

Attachment

Other recipients of this audit report:

Members, Board of Supervisors  
Members, Audit Oversight Committee  
Michael Schumacher, Ph.D., County Executive Officer  
Foreman, Grand Jury  
Darlene J. Bloom, Clerk of the Board of Supervisors  
John M.W. Moorlach, Treasurer-Tax Collector  
Richard G. Hilde, Assistant Treasurer  
Paul Gorman, Treasurer Accounting/Compliance Manager



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## INTERNAL AUDIT DEPARTMENT

File No. 2207

November 26, 2002

### INTERNAL AUDITOR'S REPORT ON AGREED-UPON PROCEDURES APPLIED TO THE STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY

David E. Sundstrom  
Auditor-Controller:

Attention: Jim McConnell, Assistant Auditor-Controller, Central Operations

We have performed the agreed-upon procedures enumerated below, which were agreed to by the Auditor-Controller, for the purpose of assisting the Auditor-Controller in verifying the amount and kind of money and the amount of bank receipts in the Treasury as shown on the accompanying Statement of Assets Held by the County Treasury at September 30, 2002 (Statement), in accordance with Government Code Sections 26920(a), and 26921 through 26923. This engagement to apply agreed-upon procedures was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of Auditor-Controller management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures and the associated findings are as follows:

1. We will observe a count of the treasury cash and receipts, performed by Treasury Cash Cage personnel, for bank deposits in the Treasury of the County of Orange at the close of business on the last business day of the month (September 30, 2002) and agree to the Treasurer's Detail Transaction Report.

Finding:

We found no exceptions as a result of the procedure.

2. We will independently confirm bank balances in the County Treasury for all bank accounts open at September 30, 2002 and agree responses to Treasurer's Detail Transaction Report through Treasurer's demand account reconciliations.

Finding:

We found no exceptions as a result of the procedure.

3. We will review Treasurer's reconciliations of demand accounts at September 30, 2002 and determine if reconciling items above our calculated materiality are adequately supported and whether adjustments to the Statement of Assets are required.

Finding:

We found no exceptions as a result of the procedure.

4. We will independently confirm all investments in the Treasurer's portfolio, per the Sungard Investment Inventory Report, at September 30, 2002 and agree responses to the Sungard Investment Inventory Report.

Finding:

We found no exceptions as a result of this procedure.

5. We will review Treasurer's reconciliations of investments at September 30, 2002 and determine if reconciling items are adequately supported and whether adjustments to the Statement of Assets are required.

Finding:

We found no exceptions as a result of the procedure.

6. We will review reconciliations of Treasurer's cash and investments at September 30, 2002 to Auditor-Controller General Ledger's reports and determine if reconciling items above our calculated materiality are adequately supported and whether adjustments to the Statement of Assets are required.

Finding:

We found no exceptions as a result of the procedure.

The Statement was prepared on the cash basis, as modified, which is a comprehensive basis of accounting other than United States generally accepted accounting principles. Receipts are recognized when received by the Treasurer, disbursements are recognized when paid by the bank. The Statement is the responsibility of Treasury management.

David E. Sundstrom  
November 26, 2002

In performing these agreed-upon procedures, we used materiality levels calculated in accordance with the Guide to Audits of Local Governments issued by the Practitioners Publishing Company.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. 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 use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, the report will be a matter of public record and its distribution is not limited.

The working papers for this engagement are the property of the County of Orange Internal Audit Department and constitute public information. If requested, access to such working papers will be provided under the supervision of the County of Orange Internal Audit Department personnel.

Sincerely,

A handwritten signature in cursive script that reads "Peter Hughes".

Dr. Peter Hughes, CPA  
Director, Internal Audit



COUNTY OF ORANGE

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, ROOM G76
P. O. BOX 4515
SANTA ANA, CA 92701

JOHN M. W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR
(714) 834-7625

GARY J. COWAN
ASSISTANT TAX COLLECTOR
(714) 834-3545

RICHARD G. HILDE
ASSISTANT TREASURER
(714) 834-2918

FAX (714) 834-2912

STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY
As of September 30, 2002

Table with columns: County Pool, Educational Pool, Non-Pooled, Total. Rows include CASH (Cash on Hand, Demand Accounts, Total Cash), INVESTMENTS (Orange County Investment Pool: Money Market Fund, Extended Fund; Orange County Educational Pool: Non-pooled; Total Investments), and TOTAL ASSETS.

Note 1 - Investments include 1,771,765 of accrued interest at date of purchase.

Handwritten signature of John M. W. Moorlach, C.P.A., CFP®
John M. W. Moorlach, C.P.A., CFP®
Treasurer-Tax Collector

See accompanying Internal Auditor's Report