INTERNAL AUDIT DEPARTMENT

COUNTY OF ORANGE

2005 Recipient of the Institute of Internal Auditors' Award for Recognition of Commitment to Professional Excellence, Quality and Outreach

Integrity ◆ Objectivity ◆ Independence

FINAL CLOSE-OUT

INITIAL FOLLOW-UP AUDIT OF PERFORMANCE MEASURE VALIDATION JOHN WAYNE AIRPORT

(ORIGINAL AUDIT NO. 2555)

AUDIT NUMBER: 2669 **REPORT DATE: APRIL 10, 2007**

Audit Director: Peter Hughes, Ph.D., CPA
Deputy Director: Eli Littner, CPA, CIA
Senior Audit Manager: Alan Marcum, MBA, CPA, CIA
Audit Manager: Kenneth Wong, CPA, CIA

Final Close-Out

Initial Follow-Up Audit of
Performance Measure Validation
John Wayne Airport

Original Audit No. 2555

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Transmittal Letter

Audit No. 2669

April 10, 2007

TO: Alan L. Murphy, Director
John Wayne Airport

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

SUBJECT: Initial and Final Close-Out Follow-Up Audit of Performance Measure Validation of John Wayne Airport, Original Audit No. 2555, Issued April 14, 2006

We have completed an initial and Final Follow-Up Audit of Performance Measure Validation of John Wayne Airport. Our audit was limited to reviewing, as of the 2007 Business Plan, actions taken to implement the two recommendations in our audit report dated April 14, 2006. The results of our Follow-Up Audit are discussed in the **Internal Auditor's Report** following this transmittal letter. Because satisfactory corrective action has been taken for both audit recommendations, this report represents the final close-out of the original audit.

Each month I submit an **Audit Status Report** to the Board of Supervisors (BOS) where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future report to the BOS.

Other recipients of this report:
- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Loan Leblow, Assistant Airport Director
- Scott Suzuki, Quality Assurance & Compliance Manager, JWA
- Foreperson, Grand Jury
- Darlene J. Bloom, Clerk of 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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INTERNAL AUDITOR'S REPORT
FINAL CLOSE OUT

Audit No. 2669

April 10, 2007

Alan L. Murphy, Director
John Wayne Airport
3160 Airway Avenue
Costa Mesa, CA 92626

We have completed an initial and Final Follow-Up Audit of Performance Measure Validation of John Wayne Airport. Our audit was limited to reviewing, as of the 2007 Business Plan, actions taken to implement the two recommendations in our audit report dated April 14, 2006.

The original audit report contained two (2) recommendations. **We are pleased to report that satisfactory corrective action has taken place for both audit recommendations. As such, this report represents the final close-out of the original audit.** We commend John Wayne Airport staff for their responsiveness and attentiveness in addressing the audit recommendations.

We appreciate the cooperation and assistance extended to us by your staff during our Follow-Up Audit. If you have any questions, please contact me directly or Eli Littner, Deputy Director at 834-5899, or Alan Marcum, Senior Audit Manager at 834-4119.

Sincerely,

Peter Hughes, Ph.D., CPA
Director, Internal Audit

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:
- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Loan Leblow, Assistant Airport Director
- Scott Suzuki, Quality Assurance & Compliance Manager, JWA
- Foreperson, Grand Jury
- Darlene J. Bloom, Clerk of the Board of Supervisors

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