



**County of Orange Internal Audit Department  
Status Report #1 for the Audit Oversight Committee**

Audit Year 2003

Period Covered 1/1/03 through 3/20/03

Report Date 4/3/03

Audit Name	Audit Number	Start Date	End Date	Multi-Yr Projects		Current Audit Plan							Milestones & Comments			
				Total Budget	Actuals To Date	Budget	Revisions	Revised Budget	Actuals to Date (Per AOC Reports - Not Cumulative)					Est. to Comp. Hours	Over / (Under) Budget Hours	
									#1	#2	#3	#4				
<b>Attestation Services &amp; Mandates</b>																
(1) Treasury Funds Audit (Qtr ending 12/31/02)	2208	11/22/02		1,400	1,343	900	500	1,400	1,068					240	(92)	Fieldwork in process.
(2) Treasury Funds Audit (Qtr ending 3/31/03)	2305	03/05/03				400		400	2					398	0	Planning stage.
(3) Treasury Funds Audit (Qtr ending 6/30/03)	2306					400		400	0					400	0	
(4) Treasury Funds Audit (Qtr ending 9/30/03)	2307					400		400	0					400	0	
(5) Treasury Funds Audit (Qtr ending 12/31/03)	2308					60		60	0					60	0	
(6) Probation Audit - 2 YE 6/30/03 (due 1/31/04)	2309					1,600	(200)	1,400	0					1,400	0	
(7) Annual Treasury Investment Compliance Audit (2 YE 12/31/02)	2211	10/31/02		1,200	1,243	1,200		1,200	950					200	(50)	Fieldwork in process.
(8) Annual Treasury Investment Compliance Audit (YE 12/31/03)	2310					100		100	0					100	0	
(9) DA Spousal Abuser Prosecution Grant - (6/30/03)	2311					160		160	0					160	0	
(10) DA Workers Comp / Auto Insurance Fraud Grant - (6/30/03)	2312					250		250	0					250	0	
(11) Auditing & Accounting Standards Update	2313	01/03/03				300		300	33					267	0	On-going assignment.
(12) Quarterly Treasury Compliance Reviews	2314					820		820	0					820	0	
(13) Work Paper Close-Out & Final Report Issuance (2002 Audits)	2315	02/07/03				60		60	4					60	4	
<b>Subtotal</b>				<b>2,600</b>	<b>2,586</b>	<b>6,650</b>	<b>300</b>	<b>6,950</b>	<b>2,057</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,755</b>	<b>(138)</b>	
<b>Information Technology Audits</b>																
(1) Technical Training - Data Mining/Analysis						700	(400)	300	0					300	0	
(2) CAATs - Monthly Routines	2317	01/02/03				600		600	34					566	0	On-going. Utilizing an extra help person to develop the CAATs (see pg 3 below). Monthly reports of results are issued.
(3) Countywide - IT Self Assessment Program						600		600	0					600	0	Plan to distribute the IT self-assessment forms in April/May.
(4) CAPS - A/C Disbursements / Laser Check Writing	2326	02/05/03				500		500	98					300	(102)	Fieldwork in process.
(5) IWMD - Landfill (LIST) System Implementation	2327	02/13/03				0	400	400	52					348	0	Reviewing background documents. Plan to meet with IWMD and agree upon level of involvement in April.
(6) Clerk Recorder- Accounts Receivable System Implementation						500		500	0					500	0	
(7) CAPS - (specific areas to be determined)						500		500	0					500	0	
(8) System Implementation Reviews - (as requested)						500	(400)	100	0					100	0	
(9) IT General / Research	2336					0	100	100	20					80	0	On-going Assignment.
(10) Assist IT Consultants on CAPS Projects	2243	05/28/02	03/27/03	300	111	0	50	50	16					20	(14)	2 Final reports issued 3/27/03. See below on page 3 - Consultants (3) & (4).
(11) Review of Clerk-Recorder Cashiering System Upgrade	2244	09/11/02	03/27/03	250	339	0		0	0					0	0	Final Report issued 3/27/03.
(12) Reserve for Additional Audit Requests						850	(250)	600	0					600	0	
<b>Subtotal</b>				<b>550</b>	<b>450</b>	<b>4,750</b>	<b>(500)</b>	<b>4,250</b>	<b>220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,914</b>	<b>(116)</b>	
<b>Departmental Control Reviews (DCR)</b>																
(1) Com. Svc. Agency - Cash Disbursements ( Rev. & Trust Fund )						800	(200)	600	0					600	0	
(2) Clerk Recorder - Cash Receipts/Accts. Receivable/Trust Funds	2324	01/23/03				800		800	406					394	0	Fieldwork in process.
(3) Countywide - Purchasing Card Reviews						800		800	0					800	0	
(4) Child Support Services - Cash Receipts/Disbmnts/Trust Funds	2330	03/07/03				800	(200)	600	33					567	0	Fieldwork in process.
(5) PA/PG Property Vault Control Review	2331	01/28/03	03/15/03			0	65	65	58					0	(7)	Done. Final report issued 3/03/03.
(6) DCR Administration	2325	02/25/03				200	(65)	135	5					50	(80)	Administration of DCRs.
(7) Follow-Ups and Post Follow-Ups	2322	01/03/03				1,000		1,000	202					798	0	On-going assignment. One initial follow-up review and four post follow-up reviews completed; one initial follow-up in process.
(8) Work Paper Close-Out & Final Report Issuance (2002 Audits)	2323	01/06/03				40		40	24					0	(16)	Hours incurred to finalize/close-out assignments started in 2002 Audit Plan.
(9) PDSD - Fund 113 Review	2316	01/02/03	03/21/03			0	260	260	386					0	126	Done. Final report issued 2/27/03.
(10) Reserve for Additional Audit Requests						260	(260)	0	0					0	0	Hours transferred to assignment #2316 - PDSD Fund 113 Review.
<b>Subtotal</b>				<b>0</b>	<b>0</b>	<b>4,700</b>	<b>(400)</b>	<b>4,300</b>	<b>1,114</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,209</b>	<b>23</b>	



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									#1	#2	#3	#4					
<b>Control Self Assessment (CSA)</b>																	
(1) CSA - PDSD	2332	03/06/03				600		600	4					596	0	Planning stage.	
(2) CSA - PFRD	2333					600		600	0					600	0		
(3) CSA - HCA	2334					600		600	0					600	0		
(4) CSA - Promotion and Orientation	2318	01/02/03				360		360	119					241	0	On-going assignment.	
(5) Follow-Ups						80		80	0					80	0		
(6) Work Paper Close-Out & Final Report Issuance (2002 Audits)	2319	01/02/03				40		40	49					40	49		
<b>Subtotal</b>						<b>0</b>	<b>0</b>	<b>2,280</b>	<b>0</b>	<b>2,280</b>	<b>172</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,157</b>	<b>49</b>	
<b>Compliance</b>																	
(1) Administration of Limited Lease Revenue Reviews	2320	01/03/03				600	(100)	500	86					414	0	On-going assignment. See note 1 on page 3.	
(2) Prevailing Wage Reviews						100		100	0					100	0	Pending responses from CEO/HR and PFRD on first review completed in 11/02.	
(3) Work Paper Close-Out & Final Report Issuance (2002 Audits)	2321	01/02/03				40		40	61					0	21	Hours incurred to finalize audits started in 2002 Audit Plan. See note 1 on page 3.	
(4) PA/PG - Statement of Assets Transferred Review	2328	03/06/03				0	100	100	52					48	0	Fieldwork in process.	
(5) PFRD / Dana Harbor Marina Inn - Limited Review	2329	03/11/03				0	250	250	18					232	0	Fieldwork in process.	
(6) Reserve for Additional Audit Requests						360	(250)	110	0					110	0		
<b>Subtotal</b>						<b>0</b>	<b>0</b>	<b>1,100</b>	<b>0</b>	<b>1,100</b>	<b>217</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>904</b>	<b>21</b>	
<b>Control Related &amp; Other Assignments</b>																	
(1) Cash Losses	2301	01/03/03				200		200	11					189	0	On-going assignment.	
(2) Fraud Hotline	2302	01/02/03				120		120	40					80	0	On-going assignment.	
(3) External Audit Reporting	2303	01/21/03				300		300	66					234	0	On-going assignment.	
(4) Technical Assistance to Other Depts/Agencies	2304	01/28/03				300		300	20					280	0	On-going assignment.	
(5) Risk Assessment	2335	03/12/03				0	600	600	10					590	0	Hours to perform IAD annual risk assessment.	
<b>Subtotal</b>						<b>0</b>	<b>0</b>	<b>920</b>	<b>600</b>	<b>1,520</b>	<b>147</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,373</b>	<b>0</b>	
<b>Total Budget</b>						<b>3,150</b>	<b>3,036</b>	<b>20,400</b>	<b>0</b>	<b>20,400</b>	<b>3,927</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,312</b>	<b>(161)</b>	



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<b>Additional Coverage Provided By Consultants</b>																	
(1) Ltd Reviews of Lease Revenue - Moreland & Assoc.						400		400	0	0	0	0	400	0	See note 1 below. Staff audit work performed by a local CPA firm.		
(2) CAAT's - Monthly Routines						0	900	900	298	0	0	0	602	0	Extra help staff to develop & implement CAAT routines. See #22317 on pg 1 above.		
(3) CAPS Upgrade - Readiness Assessment - iSecurePrivacy						N/A									Final report issued on 3/27/03.		
(4) A-C/CAPS - Payroll Risk Assessment - iSecurePrivacy						N/A									Final report issued on 3/27/03.		
<b>Total Contract Audit Resources</b>						0	0		400	900	1,300	298	0	0	0	1,002	0

**Note 1:** (for audit #2320 above) FY 02-03: 5 reviews scheduled. Fieldwork in process for 1 and fieldwork to begin mid April for the other 4. Contract auditors will perform 4 of the reviews and in-house staff will perform 1 of the reviews.

FY 01-02: 15 reviews. Final letter issued for 2, draft letters issued for 7, draft letters in process for 4, and 1 on hold. Contract auditors performed 12 of the reviews and in-house staff performed 3 of the reviews.

Importance/Impact Activity for All County Departments

SUMMARY

LEGEND:

- 1 - 3 Low
- 4 - 6 Moderate
- 7 - 10 High

ACTIVITIES	Assessor	Auditor-Controller	County Executive Office	Child Support Services	Clerk of the Bd. of Supervisors	Community Services Agency	County Clerk-Recorder	County Counsel	District Attorney	Health Care Agency	Housing/Comm. Development	Integrated Waste Mgmt. Dept.	John Wayne Airport	OC Public Library	Public Facilities/Resources Dept.	Probation	Public Defender	Registrar of Voters	Social Services Agency	Sheriff-Coroner	Treasurer/Tax Collector*	"High" Rated ≥ 7 Totals	Audited in Last 5 Years - "High" Rated Items Only	To be Audited under 2003 Plan - High Rated Items Only	Remaining to Audit	
	CASH RECEIPTS	1	5	5	9	1	6	8	6	8	8	5	10	7	4	8	8	7	1	3	5	7	10	11	11	4
REVENUE, ACCOUNTS RECEIVABLE, COLLECTIONS	6	6	7	7	2	6	8	2	8	8	6	8	8	3	8	3	5	2	3	8	7	7	11	8	3	3
REVOLVING FUND, PETTY CASH	5	2	5	6	6	7	2	2	7	7	2	3	2	4	6	3	6	6	1	10	8	3	5	3	1	1
CASH DISBURSEMENTS	3	7	7	9	2	5	4	2	8	8	7	5	4	3	9	2	4	2	2	8	8	3	9	7	3	2
PROCUREMENT PROCESSES	3	4	6	6	4	5	3	2	2	8	6	7	8	2	8	2	4	2	2	8	8	3	6	3	6	0
PAYROLL	5	7	5	5	2	6	2	3	7	7	6	6	2	5	8	5	7	5	2	9	9	3	7	1	0	6
<b>Subtotal</b>	23	31	35	42	17	35	27	17	40	46	32	39	31	21	47	23	33	18	13	48	47	29	49	33	17	12

- Agencies with "High" Rated Activity (Ratings of 7-10)
- Audited in Last 5 Years or currently under audit
- Remaining to Audit "High" Rated Activity only (Ratings of 7-10)
- To Be Audited Under 2003 Audit Plan

ADDITIONAL IMPACT ACTIVITIES

STATE/FEDERAL AWARD CLAIMS	1	2	4	6	1	6	1	1	6	8	8	5	5	2	7	2	7	3	3	8	5	1	5	1	0	5
TRUST FUNDS (Compliance)	2	7	2	8	1	5	6	1	8	8	4	8	3	1	8	7	7	2	5	9	8	5	10	7	2	3
FIXED ASSETS	3	3	3	3	3	5	3	3	5	5	6	7	6	6	7	3	3	3	3	6	5	3	2	0	0	2
BUDGETING	5	5	6	5	5	5	5	5	5	6	5	7	7	5	6	5	5	5	5	6	6	5	2	0	0	2
EXTERNAL FINANCIAL REPORTING	4	7	3	6	3	6	3	4	5	6	6	7	7	3	5	6	6	6	6	6	6	7	4	1	1	3
<b>TOTAL</b>	38	55	53	70	30	62	45	31	69	79	61	73	59	38	80	46	61	37	35	83	77	50	72	42	20	27

\*Audits of the Treasurer are mandated.

Information Technology  
Importance/Impact Schedule

	Auditor-Controller	Clerk -Recorder	County Executive Office	Health Care Agency	Integrated Waste Management Department	Public Facilities and Resources Department	Treasurer	PROPERTY TAX SYSTEM Treasurer, Assessor, Auditor-Controller, Clerk-Recorder	Clerk of the Board	Family Support	CEO/Human Resources Benefits
NEW SYSTEM		Accounts Receivable Module of Cashiering System		Business Enterprise System	Fee Booth and Accounts Receivable System (LISTS)		Quantum General Ledger System		Comprehensive Agenda Management System (CAMS)	Front End Payment ID System	Out Source New Benefits System
REPLACEMENT OF EXISTING SYSTEM	CAPS Financial and Payroll		CAPS Purchasing, Budget & HR		"Swabbie" Current Revenue & Accounts Receivable System	Cost Accounting and Reporting System	Treasury Workstation System	ATS Replacement System	AIT Process		

**NOTE:** Outside consultants (TechGnosis ) were hired to interview information technology (IT) managers in the County departments and develop an IT Self-Assessment Matrix form in 2002. In 2003, Internal Audit will distribute the self-assessment material to County IT organizations.

**Control Self-Assessment  
Importance/Impact Schedule**

**RATING**

5	ASSESSOR				
6	AUDITOR-CONTROLLER				
7	CEO				
3	CHILD SUPPORT SERVICES				
8	CSA				
4	CLERK-RECORDER				
4	CLERK OF THE BOARD				
4	COUNTY COUNSEL				
7	DISTRICT ATTORNEY				
8	HCA				
7	HCD				
8	IWMD				
7	JWA				
5	OC PUBLIC LIBRARY				
8	PFRD				
5	PDSB				
7	PROBATION				
6	PUBLIC DEFENDER				
4	REGISTRAR OF VOTERS				
8	SSA				
8	SHERIFF-CORONER				
8	TREASURER-TAX COLLECTOR				

LEGEND:

- 1 - 3 Low
- 4 - 6 Moderate
- 7 - 10 High

 CSA Sessions Held  
Currently or Within Last 5  
Years

 CSA Sessions Remaining  
to be Held - "High" Rated  
Activity Only

 CSA Sessions To Be Held  
Under 2003 Audit Plan

**TOTALS**

12	"High" Rated $\geq$ 7 Totals
16	CSA Sessions Held Currently or Within Last 5 Years
3	CSA Sessions To Be Held Under 2003 Audit Plan
0	CSA Sessions Remaining to be Held - "High" Rated Activity Only
2	Currently Elects Not to Participate in CSA