

EXTERNAL AUDIT ACTIVITY
Quarterly Status Report
2nd Quarter FY 02-03

Pursuant to Audit Oversight Committee Administrative Procedure Number 2, Reporting on External Audits, County Departments/ Agencies governed by the Board of Supervisors are required to notify the Internal Audit Director of all third party audit activity. The procedure was established to keep the Audit Oversight Committee informed of all third party audits being performed and any significant findings identified.

The schedule below identifies the status of external audits as of 12/31/02, as reported to us by the Departments/Agencies. The schedule also includes any significant findings noted as a result of the external audits.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 12/31/02	Significant Findings
Assessor	No audit in progress.						
Auditor-Controller	Macias, Gini & Company, LLP	Single Audit Report for Orange County Comprehensive Annual Financial Report (CAFR)	FYE 6/30/02	6/30/01	Financial	Audit in process.	
	Macias, Gini & Company, LLP	Comprehensive Annual Financial Report (CAFR)	FYE 6/30/02	6/30/01	Financial	Audit report dated 12/2/02	
	Conrad & Associates	Financial Reporting Six OCJP grants	FYE 6/30/02		Financial	Completed by 12/31/02	
	State Controller's Office (SCO)	HCA Accounting SB90 Audit – Handicapped & Disabled Students	FYE 6/30/98 and 6/30/99		Program Review	SCO submitted draft report.	Refer to HCA for updated status.
	Housing and Urban Development	H&CD Accounting SHP review.	FYE 6/30/02		Compliance and financial review.	Fieldwork completed. Awaiting the report.	
	Housing and Urban Development	CDBG & ESG review	FYE 6/30/02		Compliance and financial review.	Fieldwork completed. Awaiting the report.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 12/31/02	Significant Findings
Auditor-Controller (continued)	Macias, Gini & Company, LLP	<u>CEO Public Finance Accounting</u> Special Financing Authority (Teeter Program)	FYE 6/30/02		Agreed upon procedures.	Report date 11/30/02.	
	Macias, Gini & Company, LLP	<u>IWMD Accounting</u> Financial Statements	FYE 6/30/02	FYE 6/30/01	Financial Statements review.	Report date 10/23/02.	
	Macias, Gini & Company, LLP	<u>Tax Unit</u> Teeter Agreed Upon Procedures Audit.	FYE 6/30/02		Agreed upon procedures.	Report date 8/2/02.	
	Property Tax Apportionment & Allocation Systems	State Controller's Office Division of Audits.	7/1/99 to 6/30/02			Fieldwork completed. Awaiting final report.	
		<u>Collections</u> None.					
Clerk of the Board of Supervisors	No audits in progress.						
Community Services Agency	No audits in progress.						
County Clerk- Recorder	No audits in progress.						
County Counsel	No audits in progress.						
County Executive Office	No audits in progress.						
District Attorney	No audits in progress.						
Health Care Agency	State Dept. of Mental Health	Short-Doyle Medi-Cal Cost Report	1996-1997 Annually	1995- 1996	Program Review	Audit completed. Waiting for final report.	Waiting for State Department of Mental Health invoice for \$106,516 for overstatement of net federal share of Short- Doyle Medi-Cal cost (FFP). Received letter dated March 14, 2002 notifying us that an invoice will be issued.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 12/31/02	Significant Findings
Health Care Agency (continued)	State Dept. of Mental Health	Short-Doyle Medi-Cal Cost Report	1997-1998 Annually	1996- 1997	Program Review	Fieldwork completed. Waiting to hear from DMH to see if any additional information is needed to finalize.	
	State Dept. of Mental Health	Annual Review Protocol for Consolidated Specialty Mental Health Services and Other Funded Services	2000-01 Annually	2000	Program/financial review	Audit completed. Waiting for Draft Report.	
	State Dept. of Mental Health	Annual Review Protocol for Consolidated Specialty Mental Health Services and Other Funded Services	2001-02 Annually	2001	Program/financial review	Audit completed. Waiting for Draft Report.	
	State Dept. of Mental Health	Substance Abuse & Mental Health Services Administration (SAMHSA)	1999-00 Biennially	1998	Program Review	Audit completed. Waiting for final report.	
	State Controller's Office	SB90 Handicapped & Disabled Students	1997-98 1998-99 (unknown)	N/A	Program Review	Final report received on January 2, 2003.	State auditors had originally disallowed approximately \$12.4 million from these claims. State budget trailer bill AB2781, signed by the Governor on 10/2/02 reduced to approximately \$1.8 million. In their final audit report SCO gave the County 60 days to submit written request for review of remaining disputed issues. County intends to dispute the remaining disallowances.
	HHS Office of the Inspector General	Medicare Billing for HCA-Behavioral Health.	1/1/95 to 12/31/97	None	Medicare billing practices and eligibility for payment reimbursement.	Audit in process.	
	CA Dept. of Health Services	Women, Infants, and Children	FYE 6/30/01	N/A	Program review	Audit completed. Have not received final audit report.	Findings noted were programmatic. No financial impact.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 12/31/02	Significant Findings
Health Care Agency (continued)	State Controller's Office	Women, Infants, and Children	FYE 9/30/01 (Every 2 yrs)	FY 99/00	Financial Review	Audit completed. Exit conference was held 12/18/02. Have not received final audit report.	
	State Division of Audits	Local Oversight Program (LOP)	1988-2001 Every 3 years	1999	Contract Financial Review	Audit completed. Final report received 9/16/02.	
	Department of Alcohol & Drug Programs	Substance Abuse and Crime Prevention Act (SACPA)	2000-2001	2002	Program/Financial Review	Audit completed. Waiting for draft report.	No significant findings anticipated. Will file an amended claim when draft report is issued to reflect interest earned on trust fund.
	Macias, Gini & Company LLP	MAA, TCM & CHDP	2001-2002		Single Audit Compliance	Audit began on 4/02.	
	Macias, Gini & Company LLP	Child Health Disability Program	FYE 6/30/02 (every 2-3 years)	FY 01-02	Single Audit Compliance	Audit in process.	
	Macias, Gini & Company LLP	Ryan White Title I, URS & CCS year end accruals.	FYE 6/30/01 annually	FYE 6/30/01	Single Audit Compliance	Audit completed 2/02	
	CA Dept. of Health Services	Breast Cancer	FYE 2/28/02 (Annually)	FY 2000	Financial Review	Completed by 12/31/2002.	
Housing and Community Development	Housing and Urban Development	SHP review.	FYE 6/30/02		Compliance and financial review.	Report issued November 22, 2002.	
	Housing and Urban Development	CDBG & ESG review	FYE 6/30/02		Compliance and financial review.	Report issued 11/22/03.	No significant findings. HUD auditors believe that H&CD should be paying interest on monies received from HUD before actual disbursement is made by H&CD. County does not concur. Awaiting response/concurrence from HUD.
	Macias, Gini & Company LLP	OCHA – Single Audit	FYE 6/30/02		Financial	Fieldwork complete. Awaiting issuance of report.	
	Macias, Gini & Company LLP	OCDA	FYE 6/30/02		Financial	Report issued 1/17/03.	
Integrated Waste Management	No audits in progress.						

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 12/31/02	Significant Findings
John Wayne Airport	Macias, Gini & Company, LLP	JWA Financial Statements	FYE 6/30/02	FYE 6/30/01	Review of the financial statements.	Completed. Financial statements issued. Report date 10/31/02.	
	Macias, Gini & Company, LLP	JWA Airport Improvement Program (Federal Financial Assistance)	FYE 6/30/02	FYE 6/30/00	Financial and compliance review.	Audit in process.	
O.C. Public Library	No audits in progress.						
Planning and Development Services Department	LMS Consulting	Building and Safety Permit Revenues Fund (Fund 113)	FY 2002	N/A	Limited fiscal review.	Work completed. No report to be issued.	
Probation	No audits in progress.						
Public Administrator (Covered under CSA)	No audits in progress.						
Public Defender	No audits in progress.						
Public Facilities and Resources Department	Defense Contract Audit Agency (DCAA)	Santa Ana River Mainstem Project	Entire project from 1977 to 9/97	N/A	Incurred cost and compliance.	Field work completed; exit conference held 7/13/99; final audit report rec'd in 12/01.	Some costs were disallowed by DCAA; County has responded with additional information/documentation. The County has hired a consultant to work with COE on disallowed costs and will be submitting a formal appeal to the COE.
	State Controller	Santa Ana River Mainstem Project	July 90 to June 93	N/A		Audit in process.	
	Macias, Gini & Company, LLP	Orange County Civic Center Authority	FYE 6/30/02	FYE 6/30/01	Financial	Audit in process.	
	Ernst & Young	Measure M Turnback	FYE 6/30/02			Audit in process.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 12/31/02	Significant Findings
Registration and Elections	No audits in progress.						
Sheriff-Coroner	U.S. Dept. of Justice	COPS MORE Grant	01/01/97 - 03/31/02		Routine grant financial monitoring review.	Waiting for preliminary report draft.	
	U.S. Dept. of Justice	COPS SBP Program	08/01/99 – 02/28/02		Routine grant financial monitoring review.	Waiting for preliminary report draft.	
	U.S. Dept. of Justice	COPS UH Program	01/01/01 – 03/31/02		Routine grant financial monitoring review.	Waiting for preliminary report draft.	
	State Controller's Office	SB90 Prisoner Parental Rights Claim	07/01/99 – 06/30/01		Compliance audit.	Final report issued 12/5/02.	The audit resulted in a repayment to the State of \$66,479 that will be repaid in January 2003.
	Conrad and Associates, LLP	Service Authority for Abandoned Vehicles (SAAV)	7/1/01 thru 6/30/03		Fiscal and compliance audit.	Fieldwork in process.	
	LA-HIDTA	RNSP	1/1/01 thru 12/31/01	11/01	Program review of HIDTA grant.	Waiting for preliminary report draft.	
	Conrad and Associates, LLP	Drug Use is Life Abuse (a fund of the Orange County Sheriff's Advisory Council)	10/1/01 thru 9/30/02	1/02	Financial Statements.	Fieldwork complete. Waiting for preliminary report draft.	
	Conrad and Associates, LLP	California Law Enforcement Technology Equipment Program (CLETEP)	5/1/00 thru 6/31/01		Routine grant financial audit.	Final report issued 11/8/02.	
	Conrad and Associates, LLP	Local Forensic Laboratory Improvement Program (LFLIP)	11/1/01 thru 7/31/02		Routine grant financial audit.	Final report issued 11/8/02.	
	Conrad and Associates, LLP	Cold Hit Program	10/1/00 thru 6/30/02		Routine grant financial audit.	Final report issued 11/8/02.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 12/31/02	Significant Findings
Social Services Agency	State Auditors	USDA/Food & Nutrition Serv. FNS 209	Follow-up on review conducted 2 years ago.	2 years ago		In process. No report date set.	
Social Services Agency/Contract Services	West Ed	FaCT Collaborative Contracts	FYE 6/30/02		Programmatic	Report was expected 11/30/02 but extended to 1/10/03.	
Social Services Agency/Adult Services & Assistance Programs	California Dept. of Aging	Multipurpose Senior Services Program (MSSP)	FYE 2000 & 2001		Fiscal audit	Report issued 1/6/03.	
Social Services Agency/Children & Family Services	Department of Health Services Licensing & Certification Division	Orangewood Children's Home	9/26/02		Licensing certification.	Audit in process.	
	Community Care Licensing	Orangewood Children's Home	2002 Annual Review	2001	Licensing certification.	Audit in process.	
	Juvenile Justice Commission	Orangewood Children's Home	6/10/02			Audit completed. Report in process.	
	HCA/Annual Environmental Health Inspection	Orangewood Children's Home	7/16/02	Annual	Environmental Health Inspection.	7/16/02	
	Macias & Gini	CalWORKs TANF	FY 6/30/02		Program being audited as part of the Single Audit.	Audit in process.	
	USDA/FNS, CA Dept. of Social Services	Food Stamps	N/A	N/A	Review of policies, procedures, reports, report screens referenced in the written procedures.	No report to be issued.	
Treasurer-Tax Collector	No audits in progress.						