



**County of Orange Internal Audit Department**  
**Status Report #3 for the Audit Oversight Committee**

Audit Year - 18 Months ending 6/30/06  
 Time Period Covered 1/1/05 through 6/30/05

Report Date 8/4/05

Audit Name	Audit Number	Start Date	End Date	Multi-Yr Projects		Current Audit Plan										Milestones & Comments
				Total Budget	Actuals To Date	Budget	Revisions	Actuals to Date (Per AOC Reports - Not Cumulative)				Est. to Comp. Hours	Over / (Under) Budget Hours			
								#3	#4	#5	#6					
<b>Financial Audits &amp; Mandates (FAM)</b>																
(1) Treasury Funds Audit (Qtr ending 12/31/04) - 2004 carryover	2409	12/06/04		1,300	1,110	1,200		1,200	364	694	0		40	(102)	Financial statement issued 5/6/05. Management letter draft issued 5/16/05.	
(2) Treasury Funds Audit (Qtr ending 3/31/05)	2508	03/16/05	06/02/05			275		275	0	185	21		0	(69)	Done. Financial statement issued 6/2/05.	
(3) Treasury Funds Audit (Qtr ending 6/30/05)	2509					275		275	0	0	7		268	0	Fieldwork in process.	
(4) Treasury Funds Audit (Qtr ending 9/30/05)	2510					275		275	0	0	0		275	0		
(5) Treasury Funds Audit (Qtr ending 12/31/05)	2511					1,200		1,200	0	0	0		1,200	0		
(6) Treasury Funds Audit (Qtr ending 3/31/06)	2569					275		275	0	0	0		275	0		
(7) Treasury Funds Audit (Qtr ending 6/30/06)	2570					50		50	0	0	0		50	0		
(8) Probation Audit - 2 YE 6/30/05	2512	04/05/05				750		750	0	206	319		225	0	Fieldwork in process.	
(9) Tax Redemption Audit - 3 YE 6/30/05	2513	03/29/05				900		900	0	125	221		554	0	Fieldwork in process.	
(10) DA / Spousal Abuser Prosecution Grant - (6/30/05)	2514					160		160	0	0	0		160	0		
(11) DA / Workers Comp - Auto Insurance Fraud Grant - (6/30/05)	2515					250		250	0	0	0		250	0		
<u>Follow-Ups (Initial):</u>																
(12) - Treasury Funds Audit - 12/31/04 - Management Letter	2571					100		100	0	0	0		100	0		
(13) - Probation Audit - 2 YE 6/30/05	2572					100		100	0	0	0		100	0		
(14) - Tax Redemption Audit - 3 YE 6/30/05	2573					100		100	0	0	0		100	0		
(15) Auditing & Accounting Standards Update	2516	01/01/05				170		170	12	23	5		130	0	On-going assignment.	
(16) Work Paper Close-Out & Final Report Issuance (2004 Audits)	2517	01/01/05				50		50	0	0	0		50	0		
<b>Subtotal</b>				<b>1,300</b>	<b>1,110</b>	<b>6,130</b>	<b>0</b>	<b>6,130</b>	<b>376</b>	<b>1,233</b>	<b>573</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,777</b>	<b>(171)</b>



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								#3	#4	#5	#6			#1	#2	
<b>Information Technology Audits (IT)</b>																
(1) HCA / IT Self-Assessment Validation - 2004 carryover	2420	05/18/04		625	627	125	125	0	143	0			5	23	Draft issued. Responses due 7/05/05.	
(2) A/C Collections / IT Component of DCR - 2004 carryover	2464	09/21/04		450	509	300	300	168	167	0			5	40	Draft issued. Responses due 7/25/05.	
(3) CAATs / Monthly Analysis of Certain Disb. & Payroll Data	2518	01/01/05				900	900	100	103	86			611	0	On-going. Monthly reports issued.	
(4) CAPS / Integrated Procurement & Payables Proc. Pilot (IWMD)	2519					600	600	0	4	0			596	0	Waiting for "to be" or proposed control documentation from Auditor-Controller.	
(5) Assist on IT Component of 12/31/04 TFA	2520	01/20/05	05/16/05			100	100	32	92	0			0	24	Assistance completed. 19 IT findings.	
(6) HCS - Review of New System - Housing Payments	2521					600	600	0	0	0			600	0		
(7) Assist on IT Component of a ICR - tbd						250	250	0	0	0			250	0		
(8) IT Audit - tbd						300	300	0	0	0			300	0		
<b>Follow-Ups (Initial)</b>																
(9) - CAPS Readiness Assessment	2522	04/12/05				250	250	0	41	94			115	0	Fieldwork in process.	
(10) - A/C / Laser Check Application Audit	2523	06/06/05				200	200	0	0	4			196	0	Fieldwork in process.	
(11) - IWMD / LIST Implementation Review	2524					200	200	0	0	2			198	0		
(12) - Clerk-Recorder - Ltd Review of Changes to Cashering Sys.	2565	06/06/05				150	150	0	0	3			147	0	Fieldwork in process.	
(13) - IT Assist on Treasury Funds Audit - 12/31/04 Mgmt Letter						100	100	0	0	0			100	0		
<b>Follow-Ups (Secondary)</b>																
(14) - CAPS / Payroll Risk Assessment Review	2525					100	100	0	0	0			100	0		
(15) Review of New System Implement. Notifications (AM # S-1)	2526	01/01/05				80	80	0	5	0			75	0	On-going assignment. No notifications received this quarter.	
(16) IT Research and Development	2527	01/01/05				300	300	6	60	32			202	0	On-going assignment.	
Subtotal				1,075	1,136	4,555	0	4,555	306	615	221	0	0	0	3,500	87



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								#3	#4	#5	#6			#1	#2	
<b>Internal Control Reviews (ICR)</b>																
(1) A/C / Collections Process (carryover from 2004)	2428	09/22/04		750	680	450		450	175	399	1			20	145	Two draft reports (one for IT; one for non-IT) issued 5/25/05.
(2) Dept/Agency Budget Process Reviews (carryover from 2004)	2438	09/30/04	05/31/05	600	563	200		200	84	73	0			0	(43)	Done. Four final reports issued on 4/27/05.
(3) H/CS / O.C. Development Agency (carryover from 2004)	2433	09/30/04		700	631	400		400	192	317	5			40	154	Fieldwork completed; draft report issued 4/26/05.
(4) CEO / Accounts Receivable and Revenue Recovery	2529					0		0	0	0	0			0	0	Assignment postponed/replaced on 18 month Audit Plan.
(5) HCA / Contract Administration and Cash Disbursements	2530	03/16/05				450		450	0	273	46			80	(51)	Fieldwork in process.
(6) SSA / Contract Administration and Cash Disbursements	2531	03/16/05				450		450	0	281	170			80	81	Fieldwork in process.
(7) PA/PG Cash Receipts, Disbursements, Trust Funds, Budget & Property	2528	05/18/05				800		800	0	48	276			476	0	Fieldwork in process.
(8) SSA - Revenues: Accounts Receivable & Collections						350		350	0	0	0			350	0	
(9) JWA - Contract Administration: Public Works	2567					350		350	0	0	0			350	0	Assignment to start in July.
(10) Review of NSF Check Notificaiton Process						100		100	0	0	0			100	0	
(11) RDMD Trust and Agency Funds (carryover from 2004)	2432	06/01/04	03/30/05	400	556	0		0	0	0	0				0	Done. Final report issued 3/30/05.
<u>Follow-Up Audits (Initial)</u>	2532	01/03/05				1,300		1,300	344	317	154			485	0	
(12) - Clerk-Recorder / Cash Receipts/Trust Fund Disbursements		01/20/05	04/30/05												0	Done. Final report issued 4/19/05. (5 recommendations implemented, 6 in process.)
(13) - Child Support Services / Trust Funds		01/03/05	03/31/05												0	Done. Final report issued 3/31/05. (21 recommendations implemented, 2 in process.)
(14) - H/CS / New Programs Cash Disbursements & Revolving Fund		06/30/05													0	Fieldwork in process.
(15) - A/C Tax Unit															0	
(16) - A/C / Trust & Agency Fund Disbursements		05/09/05	05/31/05												0	Done. Final report issued 5/31/05. (3 of 3 recommendations in process.)
(17) - RDMD / Utility Billings		06/03/05													0	Fieldwork in process.
(18) - HCA / Trust and Agency Fund Disbursements		03/23/05	04/26/05												0	Done. Final report issued 4/26/05. (All 5 recommendations were fully implemented.)
(19) - RDMD / Revolving Funds		05/31/05													0	Fieldwork in process.
(20) - HCA / Cash Receipts		05/16/05													0	Fieldwork in process.
(21) - RDMD Trust and Agency Fund Disbursement															0	
(22) - A/C Accounts Receivable & Collections															0	
<u>Follow-Up Audits (Secondary)</u>	2533	01/19/05				300		300	7	64	53			176	0	
(23) - SSA / Trust & Agency Fund Disbursements															0	
(24) - HR / Employee Benefits Cash Receipts & Disbursements		05/09/05													0	Fieldwork in process.
(25) - H/CS / Disbursements and Related IT														0	0	
(26) - Child Support Services Cash Receipts, Trust & Revolving Funds															0	
(27) - Clerk-Recorder Cash Receipts and Trust Funds															0	
(28) - Sheriff-Coroner Cash Disbursements															0	
(29) Work Paper Close-Out & Final Report Issuance (2004 Audits)	2535	01/01/05				100		100	28	59	0			0	(13)	For finalization of audits started in 2004.
<b>Subtotal</b>				<b>2,450</b>	<b>2,430</b>	<b>5,250</b>	<b>0</b>	<b>5,250</b>	<b>830</b>	<b>1,831</b>	<b>705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,157</b>	<b>273</b>
<b>Control Self Assessment (CSA)</b>																
(1) Redesign of CSA Process and Reports	2536	01/03/05				500		500	9	5	0			486	0	On-going discussions regarding the CSA process.
(2) Work Paper Close-Out & Final Report Issuance (2004 Audits)	2537	01/01/05				50		50	7	35	26			20	38	On-going assignment.
<b>Subtotal</b>				<b>0</b>	<b>0</b>	<b>550</b>	<b>0</b>	<b>550</b>	<b>16</b>	<b>40</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>506</b>	<b>38</b>	



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								#3	#4	#5	#6				#1
<b>Lease Revenue Reviews &amp; Compliance Reviews</b>															
<u>Lease Revenue Reviews</u>															
(1) RDMD / Anaheim Arena - 2004 carryover	2450	04/27/04		350	309	250		250	51	59	0		80	(60)	Finishing w/ps and writing draft report.
(2) RDMD / Newport Dunes Resort - 2004 carryover	2462	09/16/04		500	483	325		325	14	248	90		25	52	Writing draft report.
(3) JWA / PCI Valet	2557	05/09/05				150		150	0	65	50		25	(10)	Writing draft report.
(4) RDMD / Dana West Marina	2539	02/04/05				375		375	30	316	0		40	11	Finishing w/ps and writing draft report.
(5) JWA / Vanguard Car Rental (includes National and Alamo)	2540	02/07/05				300		300	24	252	8		16	0	Writing draft report.
(6) JWA / Enterprise Car Rental	2541	01/06/05	06/30/05			250		250	179	53	4		0	(14)	Final report issued. 4 reportable conditions.
(7) RDMD / Dreamcatcher Yacht Sales	2542	05/26/05				250		250	0	2	108		100	(40)	Fieldwork in process.
(8) RDMD/Ocean Institute	2577					275		275	0	0	0		275	0	
(9) RDMD/Swales Anchorage	2578					275		275	0	0	0		275	0	
(10) RDMD/Science Enrichment Services	2579					275		275	0	0	0		275	0	
(11) RDMD/Green Meadows Farm	2580					275		275	0	0	0		275	0	
(12) RDMD - tbd						275		275	0	0	0		275	0	
(13) RDMD - tbd						275		275	0	0	0		275	0	
(14) RDMD / BEI Electric	2559													0	Cancelled.
(15) RDMD / Ship to Shore Insurance	2560	06/08/05												0	Fieldwork in process.
(16) RDMD / Dana West Yacht Club	2561	06/02/05												0	Fieldwork in process.
(17) RDMD / Aventura Sailing	2564													0	Postponed until August as requested by RDMD.
(18) RDMD / Noel Marine Canvas	2562	06/13/05												0	Fieldwork in process.
(19) JWA / McDonalds	2563	05/20/05												0	Fieldwork in process.
(20) JWA/Advantage Rent a Car	2581													0	
(21) JWA/Signature Flight Support	2582													0	
(22) Administration of Contracted Lease Revenue Reviews	2544	01/01/05				900		900	25	41	37		797	0	On-going assignment. Administration includes planning & scheduling the audits, developing the testing approaches, reviewing the w/ps, and writing the reports.
<u>Follow-Up on Lease Revenue Reviews (Initial)</u>	2545					650		650	0	0	0		650	0	
(23) RDMD / Southern California Softball Association														0	
(24) RDMD / Dana Point Marina Inn														0	
(25) RDMD / Bristol Street Mini Storage														0	
(26) RDMD / Canyon RV Park														0	
(27) RDMD / Bayshore Marina														0	
(28) RDMD / Rancho Beach House														0	
(29) RDMD / Strawberry Farms Golf Club	2558					150		150	0	0	0		150	0	
(30) RDMD/Newport Dunes Resort														0	
(31) RDMD/Anaheim Aren														0	
(32) RDMD/Dana West Marina														0	
(33) JWA/Enterprise Car Rental														0	
(34) JWA/Vanguard Car Rental (includes National and Alamo)														0	
(35) JWA/PCI Valet														0	
<u>Compliance and Other Audits</u>															
(36) Review of Process for the Pension Liability	2566	06/03/05				2,000		2,000	0	0	30		1,970	0	Planning phase.
(37) Review of JWA's Business Vulnerability Self-Assessment	2583					300		300	0	0	0		300	0	
(38) Review of Community Service Programs	2568					0	200	200	0	0	0		200	0	Assignment to start in July.



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								#3	#4	#5	#6			#1	#2	
<b>Lease Revenue Reviews &amp; Compliance Reviews continued</b>																
<b>Follow-Up on Compliance &amp; Other Audits (Initial)</b>																
(39) - RDMD / Planning Services Division (Fund 113) Audit	2548	04/14/05				250	250	0	128	101			80	59	Fieldwork in process.	
(40) - CEO & A/C / Budget Process Review	2549	05/09/05				200	200	0	6	0			100	(94)	Fieldwork delayed at request of CEO/Budget Office.	
(41) - CEO / Fund 291 Review	2550	03/22/05				75	75	0	53	1			21	0	Fieldwork in process.	
(42) - Human Resources / Management Reclassification Audit	2551					100	100	0	0	0			100	0		
(43) - HIPAA Compliance Review	2556	02/10/05	03/02/05			20	20	7	15	0			0	2	Done. Final report issued 3/2/05.	
(44) Work Paper Close-Out & Final Report Issuance (2004 Audits)	2552	01/01/05				15	15	10	15	0			0	10		
Reserve for Additional Audit Requests						900	(200)	700	0	0	0		700	0		
<b>Subtotal</b>						850	792							(84)		
<b>Performance Measure Validation Reviews</b>																
(1) Design of Process and Reporting	2553					200	200	0	0	0			200	0		
(2) Auditor-Controller	2554					200	200	0	0	0			200	0		
(3) John Wayne Airport	2555					200	200	0	0	0			200	0		
<b>Subtotal</b>						0	0						600	0		
<b>Control Related &amp; Other Assignments</b>																
(1) Annual Risk Assessment Audit Plan	2501	01/01/05				600	600	61	17	0			522	0	On-going assignment.	
(2) Cash Losses	2502	01/01/05				225	225	11	9	1			204	0	On-going assignment. Nine (9) small cash losses reported since 1/1/05 - no IAD reviews requested.	
(3) Fraud Hotline	2503	01/01/05				180	180	31	30	15			104	0	On-going assignment.	
(4) External Audit Reporting	2504	01/01/05				450	450	17	29	50			354	0	On-going assignment.	
(5) Technical Assistance to Other Depts/Agencies	2505	01/01/05				450	450	4	30	64			352	0	On-going assignment.	
(6) HIPAA Administration	2506	01/01/05				150	150	5	19	0			126	0	On-going assignment.	
(7) Reports for Board, AOC, EA Meetings	2507	01/01/05				750	750	42	94	25			589	0	On-going assignment.	
<b>Subtotal</b>						0	0						2,805	0		
<b>Total Budget</b>						5,675	5,468						29,000	0	29,000 2,039 5,200 2,109 0 0 0 19,795 143	
<b>Additional Coverage Provided By Consultants</b>																
Assistance from local CPA firm (Moreland & Associates) included above in Lease Revenue Reviews														0		
<b>Total Contract Audit Resources</b>						0	0						0	0		