

EXECUTIVE SUMMARY OF EXTERNAL AUDIT ACTIVITY

For the Quarter Ended 9/30/05

<u>SUMMARY ACTIVITY</u>	
Total Audits Prior Quarter (6/30/05)	129
Additions: In Progress	11
Planned	5
Deletions: Canceled	1
Completed	20
Total Audits Current Quarter (9/30/05) (In Progress or Planned)	<u>124</u>

Results for the Quarter:

Audits Completed – Will be Deleted Next Quarter	<u>22</u>
New Findings/Issues Reported by the Departments (37 findings from 7 audits)	<u>37</u>

Material Issues:

Prior Quarter	0
Current Quarter:	4

1. A/C, CEO, Probation, & Sheriff, pgs. 1, 3, 9 & 12 of report. In the *Trial Court* audit, State Controller found ten findings totaling \$927,624 owed to the State for ineligible payments made by the Courts. Waiting for a response from the Courts.
2. A/C, DA, Public Defender, & Sheriff, pgs. 2, 4, 10 & 12 of report. In the *Sexually Violent Predators – SB 90* mandated audit, State Controller found \$457,619 disallowances for this program. Audit complete.
3. A/C – Property Tax, p. 2 of report. State auditor found a \$232,301 overcharge in supplemental costs to the Educational Revenue Augmentation Fund. Waiting for final report.
4. HCA – Behavioral Health, p. 6 of report. State auditors found an estimated \$200,000 of unallowable costs for the *Substance Abuse and Crime Prevention Act*. Waiting for final audit report.

Total Material Issues	<u>4</u>
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EXTERNAL AUDIT ACTIVITY
Quarterly Status Report
1st Quarter FY 05-06

Results: There were four new significant findings reported to Internal Audit this quarter.

The schedule below identifies the status of external audits as of 9/30/05, 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 9/30/05	Significant Findings
Assessor	State Board of Equalization	All Assessment Practices	Every 5 Years	1999	Compliance with legal requirements and sampling of property valuation data.	Audit started in 3/05 and will continue through early 2006.	
Auditor-Controller		<u>CEO/Public Finance Accounting</u>					
	Macias, Gini & Company LLP	Special Financing Authority (Teeter Program)	FY 6/30/05 Annually	FY 6/30/04	Full financial audit of the operations of the Special Financing Authority for the 04-05 fiscal year.	In progress.	
		<u>Collections</u>					
	State of California	Trial Court.	7/1/98 - 6/30/03	December 1999	Court Revenues	Draft of report received 3/16/05. Response sent 4/5/05. (This audit is also noted under the Sheriff, CEO, and Probation.)	There were ten findings for \$927,624 owed to State. A/C deferred to other departments on findings since the A/C's main responsi- bility was the accuracy and reasonableness of the figures provided by other depts. in remitting the appropriate amounts to the State. CEO and Sheriff did not concur with findings. Probation concurred with two findings and did not concur with one. We do not have the response from the courts.
		<u>Financial Reporting</u>					
	State Controller's Office	SB90 Mandate Handicapped and Disabled Students	FY 00-01 and 01-02	FY 97-98 and 98-99	SB90 mandated costs parameters and guidelines.	Exit conference held 4/28. Awaiting draft report. (This audit is also noted under HCA- Behavioral Health.)	Pre-hearing set for 9/05 for State Commission on mandates to approve new parameters and guidelines for claiming costs for the program. Final hearing to adopt new P&G set for Spring 2006. If State adopts new P&Gs, audit findings will be amended to reflect addition of new costs.

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.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Auditor-Controller (Cont'd.)		<u>Financial Reporting Cont'd.</u>					
	Macias, Gini & Company LLP	OCJP	FYE 6/30/05 Annually	FYE 6/30/04	In accordance with OCJP Grants Audit Program	Scheduled for 1/06.	
	Macias, Gini & Company LLP	Single Audit Report	FYE 6/30/05 Annually	FYE 6/30/04	OMB A-133 Expenditures of Federal Assistance	In process.	
	Macias, Gini & Company LLP	Comprehensive Annual Financial Report	6/30/05 Annual	6/30/04	Compliance and financial. All funds, GAAP.	In process.	
	Macias, Gini & Company LLP	Tobacco Settlement Revenue (TSR) Fund	FYE 6/30/05	FYE 6/30/04	Agreed upon procedures	In process.	
	State Controller's Office	Sexually Violent Predators-SB90 mandate audit (Consolidated claims include costs for Public Defender, District Attorney & Sheriff.)	FY 00-01, 01-02, and 02-03	First time.	SB90 Mandated Costs Parameters and Guidelines	Final audit report received 10/3/05. (Audit also noted under DA, Public Defender, and Sheriff.)	County concurred with all findings. The total amount the DA, Public Defender, and Sheriff claimed for the 3 years audited was \$2,976,140 and of that amount there were \$457,619 disallowances, which reduced the allowable claim amounts to \$2,518,521. The State still owes the County \$1,472,561 in allowable costs. <i>(See DA, Public Defender, and Sheriff for individual department disallowances.)</i>
	State Controller's Office (SCO)	Absentee Ballots Ch. 77/78 Registrar of Voters (ROV)	FY 01-02, 02-03	First Time	SB90 Mandated Costs Parameters & Guidelines	County responded to draft audit report on 6/8/05. Waiting for final report. (This audit is also noted under ROV.)	The County claimed \$1,012,069 for FY 01- 02 & 02-03 and of that amount \$6,348 is unallowable. The unallowable costs occurred because the County overstated salaries, benefits, and indirect costs and understated offsetting revenues. The State paid the County \$83,012 and still owes the County \$922,709 in allowable costs.
		<u>General Ledger</u>					
	Conrad & Associates (for OCTD)	OCTD	6/30/05 Annual	6/30/04	Audit of: -Work performed by General Ledger for OCTD work. -Fees charged by General Ledger for the OCTD work.	In progress.	
		<u>Property Tax</u>					
	State Controller's Office Division of Audits	Property Tax Apportionment & Allocation Systems	7/1/99 - 6/30/02 Tri-annual	7/1/96 - 6/30/99	Property Tax Apportionment and Allocation Systems	Exit conference held in January 2003. Response to draft report mailed 9/12/05. Waiting for final report.	Finding regarding supplemental costs, resulting in a \$232,301 overcharge to Educational Revenue Augmentation Fund (ERAF). Finding for Assessor regarding RDA values.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Auditor-Controller (Cont'd.)		Property Tax (Cont'd.)					
	State Controller's Office Division of Audits	Property Tax Apportionment & Allocation Systems	7/1/00-6/30/05 Tri-annual	71/99-6/30/02	Property Tax Apportionment and Allocation Systems	Entrance conference set for 11/29/05.	
	Macias, Gini & Company LLP	Teeter Agreed-upon Procedures	FYE 6/30/05	FYE 6/30/04	Agreed-upon procedures as specified in Bond documents-Sale and Servicing Agreement.	Final report issued 7/1/05.	None.
Child Support Services	Federal Auditor Glen Branson	Data Reliability – Case Information and Reporting on CS157 Report	Annually	3/9/04	To ensure accuracy of data in the computer system and accuracy of the Federal/Annual State Statistical Reports (CS157).	Audit planned for FY 04/05, but did not take place. Audit now planned for FY 05/06, but not started.	
	Department of Child Support Services (DCSS)	Annual Performance Review	Annually	9/30/05	To ensure compliance with state and federal program regulations.	Planned for FY 05/06, but not started.	
	Macias, Gini & Company LLP	County Single Audit – Federal Programs	Every 3 years	2001	To ensure compliance with Child Support Program requirements.	Planned for FY 05/06, but not started.	
Clerk of the Board of Supervisors	No audits in progress.						
County Clerk-Recorder	No audits in progress.						
County Counsel	No audits in progress.						
County Executive Office	State of California	Trial Court and other areas.	Possibly 7/1/98 - 6/30/03	Possibly Dec. 1999	Court Revenues	Draft of report received 3/16/05. Response sent 4/5/05. (This audit is also noted under the A/C, Sheriff, and Probation.)	There were ten findings for \$927,624 owed to State. CEO and Sheriff did not concur with the findings. Probation concurred with two findings and did not concur with one. Waiting for response from the courts.
	Not known at this time.	Public Guardian's Office	Unknown	N/A	Full management.	Planned for FY 05/06, but not started.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
District Attorney	Kenneth M. Landon, State Controller	SB 90 Mandate: Sexually Violent Predators	2001, 2002, 2003 (randomly)	N/A	Compliance with all aspects of the SB 90 parameters and guidelines in preparation and submission of claims.	Final audit report received 10/3/05. (Audit also noted under A/C, Public Defender, and Sheriff.)	DA concurred with all findings. The DA claimed \$496,742 for the 3 years audited and of that amount \$28,895 was disallowed, which reduced the allowable claim amount to \$467,847. (Total for the three departments is reported under A/C.)
	State Controller	AB 1913 – School Mobile Assessment Resource Team Prog.	Unknown	N/A	Program is administered by the Probation Dept. Grant Award Period: 7/1/03 - 6/30/04	Planned for FY 04-05. DA does not believe this audit will take place; therefore, this audit will be removed next quarter.	
	State Controller	AB 1913 – Truancy Response Team Prog.	Unknown	N/A	Program is administered by the Probation Dept. Grant Award Period: Changed from 7/1/03 - 6/30/04 to 7/1/04 – 6/30/05.	Planned for FY 04-05. DA does not believe this audit will take place; therefore, this audit will be removed next quarter.	
	Macias, Gini & Co., LLP	Juvenile Offender Accountability Prog. (JAIBG) Grant No. 144-04	7/1/04-6/30/05 Annually	12/04 Single Audit	Program audit per federal requirements. Grant period 7/1/04-6/30/05.	Planned for FY 05/06, but not started.	
	Macias, Gini & Co., LLP	Special Crime Impact Team (SCIT) Grant No. 2004-DD-BX-1142.	5/01/04-6/30/05 Annually	12/04 (Single Audit)	Program audit per federal requirements. Grant Award period: 7/1/04-6/30/05.	Planned for FY 05/06, but not started.	
	McGladrey & Pullen, LLP (DA previously listed auditor as Macias, Gini & Co., LLP)	Community Pride Reclaimed (CPR), Grant No. GV 01 01 7208	7/1/03-6/30/04 Annually	N/A	Program Audit per State OH/OES' requirement. (Grant is administered by La Habra Police Dept.) Grant Award Period: 7/1/03 - 6/30/04.	Audit completed. La Habra Police Dept. has not yet received the audit report. Final report issued.	No findings.
	Macias, Gini & Co., LLP	Vertical Prosecution Program (MNVP, CCPP, CAVP, SRVP) Grant No. VP 04-02-0300	7/1/04 - 6/30/05 Annually	6/30/04 Single Audit	Program audit per State OHS/OES' requirements. Grant Award Period: 7/1/04-6/30/05.	Planned for FY 05/06, but not started.	
	Macias, Gini & Co., LLP	CALGANG Enhancement Project	FYE 6/30/05 Annually	FYE 6/30/04	Expenditures and grant compliance.	Not started.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Health Care Agency		<u>Behavioral Health</u>					
	State Dept. of Mental Health	Annual Review Protocol for Consolidated Specialty Mental Health Services and Other Funded Svcs.	2000-01 Annually	2000	Program/financial review	Audit completed. As of 9/30/05, still waiting for 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. As of 9/30/05, still waiting for report.	
	State Controller's Office	SB90 Handicapped & Disabled Students	FY 00/01 and 01/02	2002	Program and SB90 claim audit.	Exit conference held in April. As of 9/30/05 still waiting for report. (This audit is also noted under A/C.)	Findings include disallowed costs for medication monitoring in 01-02, which should be reversed once the new parameters and guidelines for this mandate are established (see audit below). SCO's work papers will need to be revised to reflect this, before they issue a draft report.
	State Department of Mental Health (DMH)	Short-Doyle Medi-Cal Cost Report	1998-1999 Annually	2003	Cost Report Audit	Informal Hearing held in November 2004. As of 9/30/05 still waiting for report.	The County is contesting one of the audit findings dealing with contract provider units of service, PacifiCare. The County was allowed to submit a Revised Cost Report that would allow for the units of service to be changed on the cost report. The Revised Cost Report was submitted to the State on January 11, 2005. If the State accepts the revised cost report, the State could approve the units of service change and pay back the \$400,000 in Medi-Cal revenue.
	State Dept. of Mental Health	Annual Review Protocol for Consolidated Specialty Mental Health Services and Other Funded Services	2003-04 Annually	2003	Program/financial review	Planned for FY 04/05, but not started. HCA is not sure if this audit will take place. We will be advised at a later date.	
	Behavioral Health Concepts (BCH), Inc. hired by Dept. of Mental Health (DMH)	Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services	4/04 – 6/04 FY 2003-04	Unknown	Program and Financial Review	Completed in 2/05. As of 9/30/05 still waiting for report.	Unknown at this time.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Health Care Agency (Cont'd.)		<u>Behavioral Health (Cont'd.)</u>					
	External Quality Review Organization (EQRO) hired by Dept. of Mental Health (DMH)	Information Systems Capabilities Assessment for Managed Care Orgs/Prepaid Inpatient Health Plans	Current	Unknown	IT	Completed in 2/05. Waiting for draft report. As of 9/30/05 still waiting for report.	
	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.	Settlement discussions taking place. Dollar amount is indeterminate. Hoping to resolve next year.	
	State Controller's Office	SB90 Seriously Emotionally Disturbed (SED) Out of State Clients	FY 00/01 and FY 01/02	2002	Program and SB90 claim audit	Exit conference held in April 2005. As of 9/30/05 still waiting for report.	
	State of California Department of Alcohol and Drug Programs Audit Services Branch	Substance Abuse and Crime Prevention Act (SACPA)	FY 01/02	unknown	Financial Review	Field work completed. Exit conference held 6/29/05	Exit conference held. Two potential findings, one related to unallowable costs and another related to contract accruals affecting two fiscal years. Estimate of unallowable costs is \$200,000.
		<u>CEO</u>					
	Macias, Gini & Company	Tobacco Settlement Revenue	FY 2004- 2005	FY 03/04	Financial Review	In process.	
		<u>Environmental Health, Regulatory Health</u>					
	Special Audits Bureau of the State Controller's Office Division of Audits	Local Oversight Program (LOP)	7/1/01- 6/30/04	2002 for 7/1/98 to 6/30/01	Financial and program review.	Completed 7/13/05. Still waiting for final audit report.	None.
		<u>Medical & Institutional Health Services</u>					
	Conrad & Associates	Emergency Medical Services Fund (EMSF)	FY 2000/01 - 2003/04	New	Financial Review	In process.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Health Care Agency (Cont'd.)		<u>Medical & Institutional Health Services (Cont'd.)</u>					
	Department of Health Services	Preventive Health Care for Aging (PHCA) and Nutrition Education Program (NEP)	FY 03-04 and FY 04- 05	New	Financial & Program Review	Entrance Meeting 8/2/05. In process.	
		<u>Public Administrator</u>					
		No audits in progress.					
		<u>Public Health</u>					
	Macias, Gini & Company	Child Health & Disability Prevention (CHDP) - Medical	FY 2004- 2005	FY 02/03	For Single Audit	In process.	
	Macias, Gini & Company	CHDP Foster Care - Medical	FY 2004- 2005	FY 02/03	For Single Audit	In process.	
	Macias, Gini & Company	CA Children's Svcs. (CCS) - Medical	FY 2004- 2005	Unknown	For Single Audit	In process.	
	Macias, Gini & Company	Targeted Case Management (TCM)	FY 2004- 2005	New	For Single Audit	In process.	
	Macias, Gini & Company	Medi-Cal Admin. Activities (MAA)	FY 2004- 2005	New	For Single Audit	In process.	
	Department of Health Services	Women, Infants and Children Program (WIC)	FY 2002- 2004	Unknown	Program Audit Only	As of 9/30/05, still waiting for audit report.	HCA was verbally told there were two findings: 1) Review with staff proper documentation regarding the drug question that is in the Integrated Statewide Information System (ISIS). Staff needs to specifically ask what is in ISIS. It is the database used to conduct WIC business. 2) Review with staff proper documentation regarding Notice of Action issued to participants being disqualified.
	Office of Inspector General	CHDP and CCS (CA Children's Services)	FY 2003- 2004	Unknown	Program review of Skilled Professional Medical Personnel (SPMP)	Planned for FY 04/05, but not started. HCA is not sure if this audit will take place - we will be advised.	
	Macias, Gini & Company	Public Health Preparedness & Response to Bioterrorism	FY 04-05	New	For Single 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 9/30/05	Significant Findings
Housing and Community Services Department		<u>Orange County Housing Authority</u>					
	Macias, Gini & Company LLP	Section 8 Cluster Type A Program	FYE 6/30/05 Annually	FY 03/04	Single Audit.	In process. Limited procedures.	
	Macias, Gini & Company LLP	Orange County Housing Authority	FYE 6/30/05 Annually	FY 03/04	Financial review. (Agreed upon procedures. Audit of financial data schedules of OCHA for Housing Choice Vouchers & Section 8 Programs.)	Not started.	
		<u>Special Programs Administration</u>					
	Employment Development Dept.	Workforce Investment Act	FY 05/06 Annually	FY 04/05	Program and Fiscal Monitoring	Planned for FY 05/06, but not started.	
	Employment Development Dept.	Workforce Investment Act	FY 04/05	FY 03/04	Program and Fiscal Monitoring	Draft report issued 6/10/05.	None.
		<u>Office on Aging</u>					
	Macias, Gini & Company LLP	OoA/Aging Cluster	FYE 6/30/05 Annually	FY 00/02	Single Audit.	In process.	
	CA Dept. on Aging	Office on Aging	FYs 01/02 to 03/04	FY 00/01	Program and fiscal monitoring.	Audit scheduled for 1/06.	
		<u>Orange County Development Agency</u>					
	Macias, Gini & Company LLP	Orange County Development Agency	FYE 6/30/05 Annually	FY 03/04	Financial Statements and compliance.	In process.	
		<u>Community Advocacy Division</u>					
		No audits in progress.					
Human Resources		<u>Human Resources</u>					
	Cooperative Personnel Svc. – Merit Systems Svcs. (CPS)	Recruiting Classification EEO	Periodic	2003	Compare HR operations against State Merit System rules.	Audit report received.	In general compliance with ALMS standards as stated in LAPS, Chapter 1; Merit System Selection Rules and Appeal Procedures need to be updated.
		<u>Employee Relations</u>					
	Cooperative Personnel Svc. – Merit Systems Svcs. (CPS)	Training Performance Management	Periodic	2003	Compare HR operations against State Merit System rules.	Audit report received.	In general compliance with ALMS standards as stated in LAPS, Chapter 1; Merit System Selection Rules and Appeal Procedures need to be updated.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Integrated Waste Management	Macias, Gini & Co., LLP	IWMD Financial Statements IWMD Accounting	FYE 6/30/05 Annually	FYE 6/30/04	Financial and compliance audit.	Audit in progress.	
Internal Audit Department	No audits in progress.						
John Wayne Airport	Macias, Gini & Co., LLP	JWA Financial Statements	FYE 6/30/05 Annual	6/30/04	Financial and compliance.	Audit in process.	
	Macias, Gini & Co., LLP	JWA Airport Improvement Program (AIP) Single Audit	FY 04/05 Triennial	6/30/02	Financial. Part of Single Audit.	Audit in process.	
Orange County Public Library	No audits in progress.						
Probation	California Dept. of State Controller	Trial Court Accounting	4 Years	Summer 1999	Money due State of California	Received draft report. CA Dept. of State Controller is very short staffed. It may be awhile before the report is received. (This audit is also noted under A/C, CEO, and Sheriff.)	No significant findings. Some minor data collection and reporting method changes recommended. Probation concurs and has implemented. No fiscal impacts to Probation.
	State of CA	Prop. 36 FY 01-02	FY 01-02 One year - Single	Never	Program and financial reporting.	In process.	
	Macias, Gini & Co., LLP	Temporary Assistance for Needy Families (TANF)	FYE 6/30/05	FYE 6/30/02 FY 01-02	Part of annual single audit of federal funding.	In process.	
	Macias, Gini & Co., LLP	Targeted Case Management (TCM)	FY 04/05 Annual	FY 02/03 for FY 01/02	Part of annual single audit of Federal Funding. The auditor has elected to audit FY 04/05 TCM (coordinated by HCA for all participating depts. in the County of Orange).	Data collection complete. In progress.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Public Defender	State Controller's Office	Sexually Violent Predator	FY 00/01 to FY 02/03	First audit.	Reimbursement claims (3 years).	Final audit report received 10/3/05. (Audit also noted under A/C, DA, and Sheriff.)	Public Defender concurred with all findings. The Public Defender claimed \$1,908,746 for the 3 years audited and of that amount \$280,310 was disallowed, which reduced the allowable claim amount to \$1,628,436. Disallowances were due to salaries, benefits, and related indirect costs of employees who worked less than 100% of their time in the SVP Program. Some travel costs were also disallowed. <i>(Total for the three departments is reported under A/C.)</i>
	State Controller	Proposition 36	FY 01-02 Annually	5/05	Reimbursement claims for FY 2001-02	Report pending.	
	Macias, Gini & Co., LLP	OCJP Grant #V102010300	FYE 6/30/05	FYE 6/30/04	Expenditures and grant compliance.	Not started.	
Registrar of Voters	Secretary of State	SB90 Mandate- Absentee Ballots	2001-2002 2002-2003	First Time	Absentee Reimbursement Claim.	Responded to draft report on 6/8/05. Waiting for final audit report. (This audit is also noted under A/C.)	The County claimed \$1,012,069 for FY 01- 02 & 02-03 and of that amount \$6,348 is unallowable. The unallowable costs occurred because the County overstated salaries, benefits, and indirect costs and understated offsetting revenues. The State paid the County \$83,012 and still owes the County \$922,709 in allowable costs.
Resources and Development Management Department	State Board of Corrections	60-bed Juvenile Hall Expansion			Expenditure of funds per terms of grant agreement.	Audit completed. Remainder of grant funded.	No findings.
	John Warrick of CalTrans	Materials Lab	Biannual	2003	Observation of in-house certification program.	Certifications are issued, no audit reports. Certification received.	No findings.
	Conrad & Associates (selected by OCTA)	Newport Blvd. Phase I (6 projects)			Financial & Compliance.	Audit completed. RDMD expects to receive the audit report soon.	No findings.
	Transportation Corridor Authority	RDMD Collection of Development Fees/Planning	1/1/04- 12/31/04 Annual		Collection of fees from new development projects.	Audit completed.	Under collection on two corridors of \$11,493.80 & \$1,363. Over collection on one corridor in the amount of \$2,960.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Resources and Development Management Department (Cont'd.)	John Warrick of CalTrans	Materials Lab	Annual	2004	Inspected Lab equipment for updated cert, reviewed Lab Quality Manual for current required info.	Certification received. There will be no audit report.	No findings.
	John Warrick of CalTrans	Materials Lab	Initial witness test for certification.	N/A	Witness testing, Materials Laboratory Employee #1 Performing CTM 216.	Certification received. There will be no audit report.	No findings.
	John Warrick of CalTrans	Materials Lab	Initial witness test for certification.	N/A	Witness testing, Materials Laboratory Employee #2 Performing CTM 216.	Certification received. There will be no audit report.	No findings.
	John Warrick of CalTrans	Materials Lab	Initial witness test for certification.	N/A	Witness testing, Materials Laboratory Employee Performing CTM 231	A Certification will be issued, no audit report. Not completed. Continued observation required.	
	Macias, Gini & Co., LLP	Orange County Transit Authority Measure M Funds	Annual	2005	Revenue sources and expenditures for FY 04-05.	Questionnaire/Audit in process.	
	Donelle Kraewski of State of CA Dept. of Health Services	Materials Lab	Periodic	6/28/05	Inspect radio active material license documentation.	Planned for FY 05/06, but not started.	
	CA Dept. of Parks & Recreation	Park grants	Periodic	6/6/05	Grant compliance.	Planned for FY 05/06, but not started.	
Sheriff-Coroner	KPMG	RNSP	1/1/01- 12/31/02	N/A	Compliance audit.	Audit completed. Draft report issued in 3/05. Response submitted to draft. Final report pending.	None.
	Los Angeles High Intensity Drug Trafficking Agency (LA- HIDTA)	RNSP (Regional Narcotics Suppression Program)	1/1/04 – 12/31/04 Annually	8/04	Program review of HIDTA Grant	Planned for FY 05/06, but not started.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Sheriff-Coroner (Cont'd.)	State Controller's Office	SB90 Claim for Housing Sexually Violent Predators.	7/1/00- 6/30/03	N/A	Grant compliance audit.	Final audit report received 10/3/05. (Audit also noted under A/C, DA, and Public Defender.)	The Sheriff claimed \$570,652 for the 3 years audited and of that amount \$148,414 was disallowed, which reduced the allowable claim amount to \$422,238. Disallowances were due to ineligibility of costs based on SCO revised interpretation of Parameters and Guidelines and retroactive implementation. <i>(Total for the three departments is reported under A/C.)</i>
	Macias, Gini & Co., LLP	Tobacco Settlement Revenue (TSR)	7/1/04- 6/30/05	12/04	Agreed-upon procedures.	Planned for FY 05/06, but not started.	
	Macias, Gini & Co., LLP	State Alien Criminal Assistance Program	FYE 6/30/05	New Program	Part of Single Audit	In process.	
	Macias, Gini & Co., LLP	CA Cold Hit Program	FYE 6/30/05 Annually	FYE 6/30/04	Expenditures and compliance with the Grant.	Not started.	
	Macias, Gini & Co., LLP	Local Forensic Lab Improvement Program	FYE 6/30/05 Annually	FYE 6/30/04	Expenditures and compliance with the Grant.	Not started.	
	Macias, Gini & Co., LLP	Regional Law Enforcement Training Center	FYE 6/30/05 Annually	FYE 6/30/04	Expenditures and compliance with the Grant.	Not started.	
	State Controller's Office	County Collections and Accounting of Court Revenues	7/1/98 – 6/30/03	N/A	Compliance to Government Code	Response to draft report submitted in 4/05. Final report pending. (This audit is also under A/C, CEO, and Probation.)	SCO determined that the State Court made ineligible payments of \$530,485 to the Department that should be returned to the State. The Department does not concur with the finding and responded to the draft report as such.
	Department of Homeland Security	Homeland Security Grant – Part I and Part II	12/1/2003 – September 30, 2004	N/A	Grant compliance audit	Fieldwork completed. Waiting for the issuance of the draft audit report.	
	Department of Homeland Security	Domestic Preparedness Grant	5/1/2002 – September 30, 2004	N/A	Grant compliance audit	Fieldwork completed. Waiting for the issuance of the draft audit report.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Social Services Agency		<u>Financial & Administration</u>					
	Macias, Gini & Co., LLP	Temporary Assistance for Needy Families (TANF)	FYE 6/30/05	FYE 6/30/200 2	Part of Single Audit.	In process.	
	Macias, Gini & Co., LLP	Medicaid Assistance Program	FYE 6/30/05	FYE 6/30/02	Part of Single Audit	In process.	
	Social Security Administration	Conserved Funds	4/30/05	FYE 2002	Accounting files and Program case files. Visiting sites to see some of the children	In Progress. SSA/ Children & Family Services staff met with Social Security auditors on 4/25/05 and 5/5/05 regarding Social Security moneys held in trust for minors.	
	Macias, Gini & Co., LLP	Single Audit for FYE 6/30/05. CalWORKs/TANF and MediCal	6/30/05 Tri-annual		Every year as part of Single Audit, the County's independent auditor picks one or two SSA programs to audit as Major Programs. Every program with more than \$3M in federally funded expenditures must be audited at least once every three years.	Planned for FY 05/06, but not started.	
	California Department of Social Services/ Social Security Administration	Interim Assistance Reimbursement Program	December 2004		Desk audit of our participation in the Interim Assistance Reimbursement (IAR) program. HCA and SSA both share the responsibility for the IAR program. SSA initially receives Social Security checks for individuals in the program and then reimburses HCA for moneys spent by HCA for the care of these individuals. The information requested is for 12 cases from December 2004. In April, SSA provided this information to HCA for submission to Social Security.	In Progress.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Social Services Agency (Cont'd.)		<u>Financial & Administration</u> (Cont'd.)					
	Governor's Office of Emergency Services	Child Abuse Treatment Program (CHAT)	FYE 6/30/04	FYE 6/30/04	Onsite visit to review contracts and finance; Parent Child Interaction Therapy (PCIT) Overview at Child Guidance Center; Tour of Corbin Family Resource Center (FRC) and Program Review Corbin FRC.	Completed 9/1/05.	None.
		<u>Children & Family Services</u>					
	Juvenile Justice Commission	Orangewood Children's Home (OCH) Group Home Facility	6/16/04	2003	Inspection of OCH Group Home Facility. A review of the facility, policies, and operational procedures.	Annual reports are completed by the JJC. As of 9/30/05 report still pending.	1. Deficiency with storage of dish washing chemicals. Corrected. JJC walked through again to confirm. 2. Concerns raised about Medical Unit, Health Insurance Portability and Accounting Act (HIPAA) and confidentiality. 3. JJC Commission members completed a follow-up visit to OCH Medical Unit and determined that youth in the waiting room are not privy to confidential information.
	Juvenile Justice Commission	Orangewood Children's Home (OCH)	2005-06 Annual	6/16/04	Unescorted walk-through of facility with Commission staff as deemed appropriate. Questions about program and procedures.	Written report pending.	No immediate corrections requested.
	Community Care Licensing	Orangewood Children's Home (OCH)/Emergency Shelter	7/21/05 and 7/27/05	2003	Unannounced walk-through of facility, review of youth and personnel training records.	Facility and program determined to be in full compliance. No citations.	None.
	Federal Administration for Children and Families	Federal Adoption and Foster Care Analysis and Reporting System (AFCARS) audit.	4/1/03 – 9/30/03	6/10/04	AFCARS is a Federal tracking system to record family identifiers, and child placement identifiers, etc. Four Orange County cases have been selected for compliance review.	Report pending. 10/3/05 – Federal Administrative approval of the CA Implementation Plan is pending. CDSS awaiting approval of this plan before releasing the report.	Orange County's four cases did well in the audit with no major issues or themes related to non-compliance.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Social Services Agency (Cont'd.)		<u>Children & Family Services (Cont'd.)</u>					
	Orange County HCA – Regulatory Health Services- Environmental Health (Previously reported as Department of Health Services)	Orangewood Children’s Home (OCH)	Oct. & Dec. 2004	2003	Environmental Health Care Inspection of entire facility.	Report dated 12/28/04.	Majority of areas were found to be in compliance. Positive staff assistance and pre-preparation for onsite inspection were noted. Program Manager, mentioned as being very organized and prepared in recording maintenance issues with cottages. Kitchen sanitation and organization was noted to be superior. Areas requiring improvement: 1. Food Handlers Education and Monitoring 2. Food Serving and Supervision 3. Minimum Diet – fat percent, fruit and vegetables 4. Therapeutic Diets 5. Menus 6. Food Services manager planning menus.
	Community Care Licensing (CCL)/CA Dept. of Social Svcs.	Adoption	2005-2006	6/25/03	Unannounced site visit to audit compliance with adoption licensing requirements.	Planned for FY 05/06, but not started.	
	CA Dept. of Social Svcs. (CDSS)	Wraparound OC	2005-2006	Initial review	To assess OC implementation of SB163 Wraparound.	Planned for FY 05/06, but not started.	
	Macias, Gini & Company LLP	Foster Care Eligibility – review current eligibility.	2005-2006	January 2004	Randomly selected cases from Case Data System CDS 608 report. Typically 60 cases reviewed.	Planned for FY 05/06, but not started.	
	Department of Health and Human Services	Foster Care Eligibility	June 2006	June 2003	Random selection based on state Adoptions and Foster Care Analysis and Reporting Systems. Title IV-E Audit.	Planned for FY 05/06, but not started.	
	Social Security Administration	Social Security Income/Retirement, Survivors, and Disability Insurance (SSI-RSDI).	5/1/04 – 5/30/05	March 4/25/05	CFS-Resource Development Management RDM/SSA Financial/Foster Care Eligibility - review of records, telephone interviews and site visits to caregivers with eligible children.	Report issued 7/20/05.	Recommendations: <ul style="list-style-type: none"> • Conserved funds must be returned to Social Security Administration when entitlement terminates. • Review SSI Notice of Change closely to ensure eligibility requirements are met and to ensure the undertaking of appropriate action to either repay overpaid monies or request waiver of overpayment recovery. • Payee issues need to be addressed by the agency. SSI cases, especially, need more oversight to ensure correct payment.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Social Services Agency (Cont'd.)		<u>Children & Family Services (Cont'd.)</u>					
	Judicial Council: Judicial Review & Technical Assistance Project (JRTA)	Juvenile Dependency Court/ Court Programs	March 2005		Title IV-E – Review of Juvenile Court cases (findings/orders on minute orders) to determine if appropriate judicial orders were made to support Title IV E funding.	In process. Positive comments made regarding compliance progress. Very pleased regarding findings in cases reviewed. Diligent efforts to ensure Bench Officers make necessary findings and stipulations reflect the required Title IV-E findings.	
	Orange Fire Department	Orangewood Children's Home	2005-06 Annual	2/11/05	Fire/Safety inspection of facility.	Planned for FY 05/06, but not started.	
	CA Dept. of Social Services (CDSS) - CSOB	2003 Relative Assessment Review	2/05		Review results of an agreement between ACF & CDSS. CDSS is seeking reimbursement of federal funds.	Onsite review. Completed cases will go through three review levels. 1. CDSS-COSB 2. CDSS – Eligibility 3. Administration for Children and Families (ACF). Report pending.	Reviewers indicated majority of nine cases were in compliance; however, first review will be completed at CDSS and two other review levels will follow.
	Southern California Edison	Orangewood Children's Home	6/16/05		Lighting fixtures and electrical energy usage	Report still pending.	
	Grand Jury	OCH/Emergency Shelter/GH	8/15/05 and 8/26/05	7/22/04	Inspection for the buildings and property. Questions about program and procedures.	Written report pending.	No areas of concern that required immediate attention. No recommendations for immediate action.
		<u>Adult Services & Assistance Programs</u>					
	Dept. of Health Services	Medi-Cal Payment Accuracy Measurement project.	April 2004 - May 2004		Compliance review. 100 randomly selected cases to be reviewed: 50 for Medi- Cal Fee and 50 Medi-Cal Managed Care cases.	Received report.	None.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Social Services Agency (Cont'd.)		<u>Adult Services & Assistance Programs (Cont'd.)</u>					
	California Department of Social Services (CDSS)	Food Stamps	FY 2004	5/94	Review compliance for Food Stamp case processing.	Audit completed 9/23/04.	None.
	Department of Health Services (DHS)	Medi-Cal Informal MSR Review	May 2005		Evaluate processing MSR.	Review completed 9/23/04.	None.
	Department of Health Services (DHS)	Medi-Cal	10/04-9/06	3/05	Review compliance with Program eligibility requirements.	On-going. No significant findings to date.	
	State Department of Social Services	Medi-Cal	6/04	N/A	California Health and Disability Prevention (CHDP) Gateway compliance for Medi-Cal case processing.	Planned for FY 04/05, but not started. <i>SSA does not expect this audit to be performed. It will be removed in the next quarterly report.</i>	
	Macias, Gini & Company LLP	Medi-Cal	7/03-7/06	9/99	Allowable activities: allowable costs/cost principles; Cash Management; Eligibility; Equipment and Real Property Management; Procurement and Suspension and Debarment; Real Property Acquisition/ Relocation Assistance reporting on statement of expenditures, cash transactions and reimbursement.	Planned for FY 05/06, but not started.	
	San Francisco Regional Office of the Federal Soc. Sec. Admin.	Interim Assistance reimbursement	10/04-9/05		Review compliance with Interim Assistance reimbursement processes.	Report pending.	
	CA Dept. of Social Services (CDSS)	Food Stamps Management Evaluation Review	9/05 Annually	5/94	Review compliance for Food Stamp case processing.	Report pending.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Social Services Agency (Cont'd.)		<u>Adult Services & Assistance Programs (Cont'd.)</u>					
	CA Dept. of Aging & Dept. of Health Svcs.	Multipurpose Senior Services Program (MSSP)	11/02 – 11/04 Every 2 yrs.	11/02	Program compliance.	Completed January 31, 2005.	Significant Findings & Recommendations were: <ul style="list-style-type: none"> • Secure physician letters or prescriptions every 6 months for ONS service. • Closely monitor the disease progression. • Hire & train new NCM staff in all phases of MSSP Program. • Provide Medi-Cal verification documentation for the first 2 months of program enrollment. • Ensure that services provided to each client are necessary and appropriate. • Maintain current policies & procedures. • Provide assurances to CDA that each home visit conducted by MSSP site staff addresses health and safety issues. • Secure contracts for provision of 3.3 Health Care and additional waived services. • Review Notice of Action requirements. • Ensure case record documentation presents a consistent image of the client and his/her function changes over time. • Conduct training on termination process. • Conduct Care Plan training.
	Bureau of State Audits	Medi-Cal	Unknown		Review 3 Medi-Cal cases for program compliance.	Report pending.	
	State Dept. of Social Services	Food Stamps	10/04 – 9/06	Ongoing	Review compliance with Program eligibility requirements.	Current accuracy rate is 97.4%. Still in process.	
	CA Dept. of Social Services, Fraud Bureau	Food Stamps	Information pending.		IEVS, Early Fraud Referrals and over-issuances processes for Food Stamps, Collection and Intake processes.	Planned for second week of 11/05.	
	Office of Inspector General	Medi-Cal	1/04	9/03	15 case review for correctness of program eligibility.	Audit date pending.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Social Services Agency (Cont'd.)		<u>Program Integrity</u>					
	CDSS Civil Rights Bureau	Social Services Agency	3/05	4/6/05	Civil rights compliance review.	Notification received from CDSS which identifies areas of Division 21 requiring corrective action. SSA submitted corrective action plan to CDSS June 1, 2005. Received final report dated 4/6/05.	Facility inspections were exceptional with some minor infractions noted at two locations. Division 21 regulation training recommended addressing gaps in staff's awareness, understanding, and application of requirements.
		<u>Family Self- Sufficiency</u>					
	Berkeley Policy Associates (Hired by CA Dept. of Social Services)	CalWORKs—60 Month Time Limits Study	Fall 2003 - Fall 2005.		CalWorks – 60 Mos. Time Limits Study to evaluate: Participant understanding of time limits (TL); Participant preparation prior to TL; Characteristics of TL participants; Effects of TL on families; County preparation and implementation of TL; Effects on CalWORKs caseload; and Effects on Child Welfare Outcomes.	In Progress. Site visit and staff interviews conducted 9/17/03 – 9/19/03. Client Focus groups conducted 10/21/03. Worker surveys completed 10/23/03. Data currently sent on a monthly basis. SSA was notified by the State that this study will be extended.	
	CA Dept. of Education, Nancy Pellom	CalWORKs – Child Care Error Rate Study	6/04		Reviewing program per requirements of SB 1104.	In process.	
	Department of Public Social Services	Refugee Cash Assistance	7/05	3/03	Accuracy of payment and eligibility determination.	Planned for FY 05/06, but not started.	
Treasurer-Tax Collector	Moreland & Associates, Inc.	Agreed-upon Procedures Engagement Audit of the Treasurer's Office.	4/1/05~06 (2 years) Quarterly	12/31/04	Perform quarterly agreed- upon procedures engagement in regard to the Orange County Treasurer's compliance with CA Government Code and the Investment Policy Statement.	Audit complete. Report issued 4/13/05.	None.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 9/30/05	Significant Findings
Treasurer-Tax Collector (Cont'd.)	Moreland & Associates, Inc.	Agreed-upon Procedures Engagement Audit of the Treasurer's Office.	4/1/05 to 6/30/05	3/31/05	Perform quarterly agreed- upon procedures engagement in regard to the Orange County Treasurer's compliance with CA Government Code and the Investment Policy Statement.	Audit complete. Report issued 7/12/05.	None
	Moreland & Associates, Inc.	Quarterly Audit	7/1/05 - 9/30/05 Quarterly	6/30/05	Agreed upon procedures engagement audit.	In Progress.	