



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT
2005 Recipient of the Institute of Internal Auditors
Award for Excellence

Integrity ♦ Objectivity ♦ Independence

Office of the Director
DR. PETER HUGHES
Ph.D., MBA, CPA, CIA, CFE, CITP

MAILING ADDRESS:
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CALIFORNIA 92701

TELEPHONE: (714) 834-5475
FAX: (714) 834-2880

EMAIL: peter.hughes@ocgov.com
WEBSITE: www.ocgov.com/audit/

ELI LITTNER
CPA, CIA, CFE, CFS, CISA
DEPUTY DIRECTOR

MICHAEL J. GOODWIN
CPA, CIA
AUDIT MANAGER

ALAN MARCUM
MBA, CPA, CIA, CFE
AUDIT MANAGER

AUTUMN MCKINNEY
CPA, CIA, CGFM
AUDIT MANAGER

August 11, 2006

TO: Audit Oversight Committee Members

FROM: *FOR* Peter Hughes, Ph.D., CPA, Director of Internal Audit

SUBJECT: 2007 Peer Review Coordination
(Continued from AOC Meeting 5-4-06, Item 5)

The Internal Audit Department's last Peer Review was issued August 2004. Government Code requires a Peer Review be completed every three years. Therefore, the next Internal Audit Department Peer Review should be completed by **August 31, 2007.**

The Audit Oversight Committee Bylaws (VI, Rule 12, d.) states the AOC must ensure that an external quality control review of the Internal Audit Department be conducted every three years by an organization not affiliated with the internal audit department in accordance with the United States General Accounting Office's Government Auditing Standards.

Recommended Action:

The AOC members establish a Peer Review Committee. The Peer Review Committee select or assign a department to coordinate the Peer Review by issuing an RFP to select a vendor and report the results back to the AOC by August 31, 2007 (4th Quarter FY 06/07).

It is suggested the coordination of the Peer Review vendor selection and action by the AOC follow the approved quarterly meeting schedule of the AOC. (Attached)

- The RFP process should begin in January 2007 (with solicitations) and should be completed (bid evaluations and ratings) by the end of April 2007. A progress status report could be made at the 2nd Quarterly AOC meeting in **February 2007**.
- A Peer Review status item and vendor selection presentation at the 3rd Quarterly AOC meeting in **May 2007**.
- The Peer Review results presentation at the 4th Quarterly AOC meeting in **August 2007**.

Item 5

AOC Meeting 8/17/06