

EXECUTIVE SUMMARY OF EXTERNAL AUDIT ACTIVITY

For the Quarter Ended 9/30/06

| <u>SUMMARY ACTIVITY</u> | |
|---|-------------------|
| Total Audits Prior Quarter (6/30/06) | 83 |
| Additions: In Progress | 11 |
| Planned | 23 |
| Started and Completed | 5 |
| Deletions: Canceled | 4 |
| Completed | 16 |
| Total Audits Current Quarter (9/30/06) (In Progress, Planned, and/or Completed this Quarter) | <u>102</u> |

Results for the Quarter:

Audits Completed – Will be Deleted Next Quarter **23**

New Findings/Issues Reported by the Departments **11**
(11 findings from 7 audits – pgs. 3, 5, 6, 10, 12, 13, and 14 of report)

Material Issues:

Prior Quarters (pending completion): **2**

1. A/C, DA, Probation, & Sheriff, pgs. 2, 4, 10 & 11 of report. In the *SB-90 Mandate-Peace Officer's Bill of Rights* audit, the State Controller's auditors found the County claimed \$1,676,796 of which \$1,529,058 were unallowable costs. The State is working to clarify the guidelines as the disallowed costs were consistent with other Counties statewide. As of 9/30/06, still waiting for the audit report.
2. HCA – Public Health, pg. 7 of report. In the *Title I Review* audit, the auditors are questioning costs of \$143K related to monitoring of contract providers. HCA is appealing. As of 9/30/06, still waiting for the audit report.

Current Quarter: **0**

Total Material Issues **2**

EXTERNAL AUDIT ACTIVITY
Quarterly Status Report
1st Quarter FY 06-07

Results: No new significant findings were reported to Internal Audit this quarter.

The schedule below identifies the status of external audits as of 9/30/06, 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 9/30/06 | Significant Findings |
|---------------------------|---------------------------------|--|--------------------------------|-----------------------|---|---|--|
| Assessor | State Board of Equalization | All Assessment Practices | Every 5 Years | 1999 | Compliance with legal requirements and sampling of property valuation data. | Received audit report dated 9/13/06. | None. |
| Auditor-Controller | | <u>CEO/Public Finance Accounting</u> | | | | | |
| | Macias, Gini & O'Connell LLP | Special Financing Authority (Teeter Prog.) | FYE 6/30/06 | FYE 6/30/05 | Full financial audit of the operations of the Special Financing Authority. | In process. | |
| | | <u>Collections</u> | | | | | |
| | State of California | Trial Court. | 7/1/98 - 6/30/03 | December 1999 | Court Revenues | As of 9/30/06 still waiting for final audit report. (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. | As of 9/30/06, still waiting for draft report. (Audit also listed under HCA.) | Exit conference held 4/28/05. New parameters and guidelines approved in 1/06. The State is revising the audit report 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 9/30/06 | Significant Findings |
|---|---------------------------------------|--|--------------------------------|---|---|--|---|
| Auditor-Controller (Cont'd.) | | <u>Financial Reporting Cont'd.</u> | | | | | |
| | State Controller's Office (SCO) | SB90 Mandate-Peace Officer's Bill of Rights (POBAR) | FY 01-02 to FY 03-04 | First audit of program | SB90 Mandated Costs Parameters and Guidelines. (Consolidated claims include costs from Sheriff, DA, and Probation.) | In process. As of 9/30/06, waiting for draft audit report. (This audit also noted under DA, Probation, and Sheriff.) | Exit conference held on 3/30/06. Per the State Controller's office, County claimed \$1,676,796, audit adjustments totaled \$1,529,058 in unallowable costs. County has not received any payments for these claims so no money will have to be paid back. The departments do not dispute the findings. The State Commission on Mandates is working with counties on new Parameters and Guidelines to clarify what are allowable costs. The costs that were disallowed are consistent with other counties statewide. (See Probation's notes on status also.) |
| | State Controller's Office (SCO) | SB90 Mandate Prisoner Parental Rights (Sheriff Claim) | FY 01-02 to FY 04-05 | 12/02 for FY 99-00 & FY 00- 01 | SB90 Mandated Costs Parameters and Guidelines. | Entrance held 12/12/05. As of 9/30/06, fieldwork has not begun. (Audit also noted under Sheriff.) | |
| | Macias, Gini & O'Connell LLP | Comprehensive Annual Financial Report | FYE 6/30/06 Annually | FYE 6/30/05 | Compliance & Financial | In process. | |
| | Macias, Gini & O'Connell LLP | Single Audit Report | FYE 6/30/06 Annually | FYE 6/30/05 | OMB A-133 Expenditures of Federal Assistance | In process. | |
| | Macias, Gini & O'Connell LLP | Office of Emergency Services, Criminal Justice Program (OCJP) Grant | FYE 6/30/06 | FYE 6/30/05 | In accordance with OCJP Grant Audit Program | Not started. | |
| | Macias, Gini & O'Connell LLP | Teeter Agreed Upon Procedures Audit | FYE 6/30/06 Annually | FYE 6/30/05 | Agreed upon procedures per Teeter bond documents. | Completed. Report dated 7/10/06. | None. |
| | Macias, Gini & O'Connell LLP | Tobacco Settlement Revenue (TSR) Fund | FYE 6/30/06 Annually | FYE 6/30/05 | Agreed upon procedures. | In process. (Audit also noted under HCA and Sheriff.) | |

| Department/ Agency | Name of Third Party Auditor | Program, Process, or Area | Audit Period & Frequency | Date Last Audited | Audit Scope | Status As of 9/30/06 | Significant Findings |
|---|---|--|----------------------------------|----------------------|--|---|---|
| Auditor-Controller (Cont'd.) | | <u>Financial Reporting Cont'd.</u> | | | | | |
| | Macias, Gini & O'Connell LLP | Teeter Agreed Upon Procedures Audit | FYE 6/30/07 Annually | FYE 6/30/06 | Agreed upon procedures as required by Sale and Servicing Agreement. | Planned for FY 06/07, but not started. | |
| | Macias, Gini & O'Connell LLP | GANN Appropriation Limit (constitutional amendment limiting state and government spending) | 6/30/06 Annually | 6/30/05 | Agreed upon procedures. | Completed. Report issued 9/11/06. | None. |
| | | <u>General Ledger</u> | | | | | |
| | Conrad & Associates | Orange County Transit Authority | 6/30/05 Annually | | Audit of work performed by General Ledger for OCTA and fees charged by General Ledger for the OCTA work. | Audit completed. | None. |
| | | <u>Property Tax</u> | | | | | |
| | State Controller's Office Division of Audits | Property Tax Apportionment & Allocation Systems | 7/1/02- 6/30/05 Tri-annual | 7/1/99- 6/30/02 | Property Tax Apportionment and Allocation Systems | Final report issued and received. | 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 review completed. As of 9/30/06, waiting for report. | None. |
| | Department of Child Support Services (DCSS) Fiscal Support Branch | Accounting Services | N/A | N/A | Review of trust fund reconciliation and supporting documentation, as well as a review of accounts receivable and documenting accounting processes and internal controls as they relate to the Child Support Trust Fund. | Awaiting auditor's return to complete fieldwork. | None. |
| | Dept. of Health & Human Services (DHHS) | Undistributed collections and fiscal reporting (CS 356). | N/A | N/A | Review to determine if undistributable collections and interest earned on program funds were properly reported as program income. | In progress. | Interest earned on child support budget advances, in the General Fund, was not credited to department nor reported as program income. Audit in progress. |

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|--|--|---|---------------------------------|------------------------------|---|--|---|
| 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 | As of 9/30/06 still waiting for final audit report. (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. Do not have 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. (<i>This audit will not take place. It will be deleted from the next quarterly report.</i>) | |
| District Attorney | State Controller | SB90 Mandate – Peace Officer's Bill of Rights (POBAR) | FY 01-02 to FY 03-04 | First audit of program | SB90 Mandated Costs Parameters and Guidelines. (Consolidated claims include costs from Sheriff, DA, and Probation.) | As of 9/30/06, waiting for audit report from State. (Audit also noted under A/C, Sheriff, and Probation.) | (See information reported by A-C above.) |
| | Macias, Gini & O'Connell LLP | Statutory Rape Vertical Prosecution Program | FYE 6/30/06 Annually | FYE 6/30/05 | Expenditures and grant compliance. | Not started | |
| | California Department of Insurance (CDI) | Auto Insurance Fraud Program | 2004 | N/A | Compliance and fiscal audit. | Fieldwork completed. Final report received. | No significant findings. No recommendations at this time. |
| | CDI | Worker's Compensation Insurance Fraud Program | 2004 | N/A | Compliance and fiscal audit. | Fieldwork completed. Final report received. | No significant findings. No recommendations 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 9/30/06 | Significant Findings |
|--|--|--|----------------------------------|--|---|--|--|
| District Attorney (Cont'd.) | State Victim Compensation & Government Claims Board | Criminal Restitution Compact Program | 7/1/04- 6/30/05 | N/A | Fiscal audit. | Fieldwork completed. State did not distribute the audit report to counties. | None. There was only one minor finding of \$88.48 for travel expenses, which will be offset with unclaimed expenses due to budget limit. |
| | Macias, Gini & O'Connell LLP | Juvenile Offender Accountability Program (JAIBG) | 7/1/05 ~ 6/30/06 Annually | 12/05 (Single Audit) | Program audit per federal requirements. | Planned for FY 06/07, but not started. | |
| | Macias, Gini & O'Connell LLP | Project Safe Neighborhood Program | 10/1/05 ~ 6/30/06 Annually | 12/05 (Single Audit) | Program audit per federal requirements. | Planned for FY 06/07, but not started. | |
| | Macias, Gini & O'Connell LLP | DUI Vertical Prosecution Program | 10/1/05 ~ 6/30/06 Annually | New Prog. (Covered by Single Audit) | Planned for FY 06/07, but not started. | Planned for FY 06/07, but not started. | |
| | State Victim Compensation & Government Claims Board | Criminal Restitution Compact Program | To be determined. | N/A | Fiscal audit. | Planned for FY 06/07, but not started. | |
| Health Care Agency | | Behavioral Health | | | | | |
| | State Controller's Office | SB90 Handicapped & Disabled Students | FY 00/01 and 01/02 | 2002 | Program and SB90 claim audit. | As of 9/30/06, still waiting for report. (This audit is also noted under A/C.) | Findings originally included disallowed costs for medication monitoring in 01-02, totaling \$1.3M. However, medication monitoring costs are now allowable under the new parameters and guidelines approved by the Commission on State Mandates on 12/9/05. The SCO's work papers will need to be revised to reflect this before they issue a draft report. |
| | 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 | As of 9/30/06, still waiting for report. | (See SB90 Handicapped & Disabled Students audit noted above. The SCO audited the two programs together.) |
| | 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. | On 11/7/06, Internal Audit received a verbal update that the settlement of this issue is close to resolution. | |

| Department/ Agency | Name of Third Party Auditor | Program, Process, or Area | Audit Period & Frequency | Date Last Audited | Audit Scope | Status As of 9/30/06 | Significant Findings |
|---|--|--|---------------------------------------|----------------------------------|-------------------------------------|---|---|
| Health Care Agency (Cont'd.) | | <u>Behavioral Health (Cont'd.)</u> | | | | | |
| | State Department of Mental Health (DMH) | Short-Doyle Medi-Cal Cost Report | 1998-1999 Annually | 2003 | Cost Report Audit | As of 9/30/06, still waiting for report. | The County is contesting one of the audit findings dealing with contract provider (PacifiCare) units of service. 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 pay back approximately \$400,000 in Medi-Cal revenue. |
| | State Department of Mental Health (DMH) | Short-Doyle Medi-Cal Cost Report | 2001-2002 Annually | 2005 | Cost Report Audit | Waiting for draft audit report. | Findings totaled approximately \$80,000 in disallowed costs. |
| | State Department of Mental Health (DMH) | Short-Doyle Medi-Cal Cost Report | 2002-2003 Annually | 2006 | Cost Report Audit | Planned for FY 06/07, but not started. | |
| | State Department of Mental Health (DMH) | Early and Periodic Screening, Diagnosis and Treatment (EPSDT) | FY 06/07 | 2006 | Financial Review | Planned for FY 06/07, but not started. | |
| | | <u>Regulatory Health Services (includes Environmental 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. | Audit completed 7/13/05. Final audit report issued and received. | None. |
| | California Environmental Protection Agency | Certified Unified Program Agency (CUPA) | FY 03/04 to FY 05/06 Tri-annual | 2003 | Evaluation of Single Fee Program | Planned for FY 06/07, 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 9/30/06 | Significant Findings |
|---|---|--|--------------------------------|----------------------|-------------------------------|---|--|
| Health Care Agency (Cont'd.) | | <u>Medical & Institutional Health Services</u> | | | | | |
| | | No audits in progress. | | | | | |
| | | <u>Public Administrator</u> | | | | | |
| | | No audits in progress. | | | | | |
| | | <u>Public Health</u> | | | | | |
| | Department of Health Services | Regional Nutrition Network (Formerly reported as Women, Infants & Children) | 7/1/05- 9/30/05 | New | Financial and program review. | In process. | |
| | Health Resources & Services Admin. (HRSA) | Title I Review | FY 2002, 2003, & 2004 | Unknown | Program review. | Draft report issued. As of 9/30/06, still waiting for final report. | Questioned costs of \$143K related to monitoring of contract providers. HCA notified HRSA of appeal. |
| | United States Department of Agriculture (USDA) | Nutrition Network | 1/1/05 ~ 6/30/05 | New | Financial review. | Fieldwork in process. | |
| | Macias, Gini & O'Connell LLP | Individuals with Disabilities Education Act (IDEA) | FY 2005-06 | New | For 05-06 Single Audit | Audit pending. | |
| | Macias, Gini & O'Connell LLP | Nutrition grants under CFDA #10.561 (Food Stamps Program) | FY 2005-06 | New | For 05-06 Single Audit | Fieldwork in process. | |
| | Macias, Gini & O'Connell LLP | Ryan White Title I | FYE 6/30/06 | FYE 6/30/03 | For 05-06 Single Audit | Entrance conference held 6/8/06. Fieldwork in process. | |
| | Macias, Gini & O'Connell LLP | Tobacco Settlement Revenue | FY 2005-06 | FY 04-05 | Agreed upon procedures. | Fieldwork started 5/25/06. (This audit is also under A/C and Sheriff.) | |
| | California Family Health Council | Title X Family Planning | 1/1/04 ~ Current | FY 03-04 | Financial and program 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 9/30/06 | Significant Findings |
|---|------------------------------------|---|--------------------------------|----------------------|--|---|----------------------|
| Health Care Agency (Cont'd.) | | <u>Public Health (Cont'd.)</u> | | | | | |
| | Macias, Gini & O'Connell LLP | Tobacco Settlement Revenue | FY 2006-07 | FY 05/06 | Financial Review/Agreed Upon Procedures | Planned for FY 06/07, but not started. (Also noted under Sheriff.) | |
| | State Dept. of Health Services | Childhood Lead Poison Prevention Program (CLPPP) | FY 2002-05 | FY 97/98 | Financial and Program Review | Report pending. | |
| Housing and Community Services Dept. | | <u>Orange County Housing Authority</u> | | | | | |
| | Macias, Gini & O'Connell LLP | Section 8 Cluster Type A Program | FYE 6/30/05 Annually | FY 03/04 | Agreed upon procedures. | In process. | |
| | HUD | Section 8 VMS | 11/1/03 to 10/31/04 | First Time | HUD review of Section 8 VMS and financial activity. | Report issued 7/10/06. | None. |
| | Macias, Gini & O'Connell LLP | Orange County Housing Authority | FYE 6/30/06 Annually | FYE 6/30/05 | Financial Review (Agreed upon procedures Audit of Financial Data Schedules of OCHA for Housing Choice Vouchers & Section 8 Programs). | Planned for FY 06/07, but not started. | |
| | | <u>Special Programs Administration</u> | | | | | |
| | Employment Development Dept. | Workforce Investment Act | FY 05/06 Annually | FY 04/05 | Program and Fiscal Monitoring | Report issued 4/14/06. | None. |
| | Employment Development Dept. | Workforce Investment Act | FY 04/05 | FY 03/04 | Program and Fiscal Monitoring | Final report received 6/10/05. | None. |
| | | <u>Office on Aging</u> | | | | | |
| | CA Dept. on Aging | Office on Aging | FYs 01/02 to 03/04 | FY 00/01 | Program and fiscal monitoring. | Fieldwork completed. As of 9/30/06, waiting for audit report. | |
| | | <u>Orange County Development Agency</u> | | | | | |
| | Macias, Gini & O'Connell LLP | Orange County Development Agency Financial Statements | FYE 6/30/06 | FYE 6/30/05 | Financial and Compliance | In process. | |
| | | <u>Community Advocacy Division</u> | | | | | |
| | | No audits in progress. | | | | | |

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|-------------------------------------|--------------------------------------|---|--------------------------------|----------------------|----------------------------------|---|--|
| Human Resources | No audits in progress. | | | | | | |
| Integrated Waste Management | Macias, Gini & O'Connell LLP | IWMD Accounting Financial Statements | FYE 6/30/06 Annually | FYE 6/30/05 | Financial and compliance audit. | In process. Fieldwork began in 9/06. | |
| Internal Audit Department | No audits in progress. | | | | | | |
| John Wayne Airport | Macias, Gini & O'Connell LLP | JWA Financial Statements | FYE 6/30/06 Annually | FYE 6/30/05 | Financial and compliance audit. | In process. | |
| | Macias, Gini & O'Connell LLP | Airport Improvement Program (Single Audit) | FY 06/07 Annual | 6/30/06 | Financial | Planned for 06/07, but not started. | |
| | U.S. Attorneys' Office & FAA | FAA Grant Projects | 1996-2004 | | Financial and compliance. | 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. As of 9/30/06, still waiting for final audit report. (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 (Reported by HCA in the prior quarter as "Substance Abuse and Crime Prevention Act.") | FY 01-02 One year - Single | Never | Program and financial reporting. | Final audit report issued 6/8/06. (HCA is the lead agency on this audit.) | (This is the same audit reported by HCA last quarter, in which HCA reported findings totaling \$172,000 due to a disallowance of drug testing supplies. No appeal will be made.) |
| | Macias, Gini & O'Connell LLP | Temporary Assistance for Needy Families (TANF) | FYE 6/30/06 | FYE 6/30/05 | Part of Single Audit. | Not started. | |

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|--|--|--|--------------------------------|------------------------------|---|---|--|
| Probation (Cont'd.) | State Controller's Office (SCO) | SB90 Mandate – Peace Officer's Bill of Rights (POBAR) | FY 01-02 to FY 03-04 | First audit of program | SB90 Mandated Costs Parameters and Guidelines. (Consolidated claims include costs from Sheriff, DA, and Probation.) | As of 9/30/06, waiting for final report. (This audit also noted under A- C, DA, and Sheriff.) | The POBAR program is currently being reviewed by the Commission on State Mandates (COSM). The SCO is currently proposing revisions to the parameters and guidelines to clarify reimbursable activities to match statute. A COSM hearing is scheduled for 10/26/06 to discuss possible revisions to the parameters and guidelines and the way in which agencies filed claims. |
| | Macias, Gini & O'Connell LLP | Title IV-E Administration Claim (Foster Care Program) | FY 05/06 | 2003 | Program and financial reporting. Single audit conducted by contract for SSA and Probation. | In process. (Audit also noted under SSA.) | |
| Public Defender | State Controller | Proposition 36 | FY 01-02 Annually | 5/05 | Reimbursement claims for FY 2001-02 | Report issued. | None. |
| Registrar of Voters | Ingrid Gonzales (Retired Registrar of Voters) | Capistrano Unified School District (CUSD) Recall Petition Drive | 8/06 One-time | N/A | Board of Supervisors directed staff to proceed with independent audit to include the following: 1. Sequence of events leading up to the District review of the petitions. 2. Steps taken by District representatives with the material reviewed while in the County offices. 3. Determine what County staff told proponents before or during recall petition circulation as to what they could do or not do. | Audit completed. Report issued 8/31/06. | 1. No evidence found that anyone at the OCROV office knowingly violated the law at any time in the recall process. 2. Found nothing that would lead us to believe that the OCROV or his staff had any connections to, or showed any intentional favoritism to the CUSD. Recommended Actions: 1. Direct the ROV to update the Policies and Procedures Manuals with milestones for completion that shall be submitted to the CEO. 2. Direct the ROV to develop a plan for the implementation of short & long term action items/recommendations that address the issues set forth in the report from the Election Center, which is inclusive of, but not limited to, security and training, which shall be submitted to the CEO. (For details on findings, see Election Center report, dated 8/31/06) |
| Resources and Development Management Department | CA Dept. of Parks & Recreation | Parks and recreation grant funding. | 2001/2002 | 8/11/05 | Grant compliance. Support documents provided starting 7/5/06. | Audit complete. Waiting for report. | |

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|--|--|---|--------------------------------------|------------------------------|---|---|--|
| Resources and Development Management Department (Cont'd.) | 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. (RDMD reported this audit will not take place. It will be removed next quarter.) | |
| | Federal Highway Aviation & Cal- Trans District 12 | American Disability Act (ADA) Process | FYE 6/30/06 | | Compliance to Federal and State ADA requirements. | Planned for FY 06/07, but not started. | |
| | OCTA | Measure M Funded Projects | FYE 2005 Annually | | Revenue sources and expenditures for FY 2004/05. | Planned for FY 06/07, but not started. | |
| | | | | | | | |
| Sheriff-Coroner | State Controller's Office | State Trial Court Collection of Fees, Distribution to County, County Accounting and Transfer of Distributions | 7/1/98 – 6/30/03 | N/A | Compliance to Government Code | Response to draft report submitted in 4/05. As of 9/30/06, still waiting for final audit report. (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 County and Department do 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. This is a national audit of programs in multiple states. | As of 9/30/06, report has not been received. One report will be issued for the nationwide program. | Federal Auditor anticipates no significant report findings for Orange County. |
| | Department of Homeland Security | Domestic Preparedness Grant | 5/1/2002 – September 30, 2004 | N/A | Grant compliance audit. This is a national audit of programs in multiple states. | As of 9/30/06, report has not been received. One report will be issued for the nationwide program. | Federal Auditor anticipates no significant report findings for Orange County. |
| | State Controller | SB90 Mandate – Peace Officer's Bill of Rights (POBAR) | FY 01-02 to FY 03-04 | First audit of program | SB90 Mandated Costs Parameters and Guidelines. (Consolidated claims include costs from Sheriff, DA, and Probation.) | As of 9/30/06, still waiting for issuance of draft report. (This audit also noted under A/C, DA, and Probation.) | (See information reported by A-C above.) |

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|--------------------------------------|---|---|--------------------------------|---|--|--|--|
| Sheriff-Coroner (Cont'd.) | State Controller's Office (SCO) | SB90 Mandate Prisoner Parental Rights (Sheriff Claim) | FY 01-02 to FY 04-05 | 12/02 for FY 99-00 & FY 00- 01 | SB90 Mandated Costs Parameters and Guidelines. | As of 9/30/06, waiting for SCO to schedule fieldwork. (This audit also noted under A/C.) | |
| | Office of National Drug Control Policy (ONDCP)/ KPMG | Regional Narcotics Suppression Program (RNSP) | 1/1/03 ~ 12/31/04 | 8/04 | Grant compliance audit. | As of 9/30/06, fieldwork still in progress. | |
| | Macias, Gini & O'Connell LLP | Tobacco Settlement Revenue (TSR) Fund | FYE 6/30/06 Annually | FYE 6/30/05 | Agreed upon procedures. | In process. (This audit is also under A/C and HCA.) | |
| | Los Angeles High Intensity Drug Trafficking Agency (LA- HIDTA) | Regional Narcotics Suppression Program (RNSP) | 1/1/06 - 12/31/05 Annual | 1/1/05 - 12/31/05 | Program Review of HIDTA Grant | Planned for FY 06/07, but not started. | |
| | Macias, Gini & O'Connell LLP | Tobacco Settlement Revenue (TSR) | 7/1/06 - 6/30/07 Annual | 7/1/05 - 6/30/06 Annual | Agreed Upon Procedures | Planned for FY 06/07, but not started. (Also noted under HCA.) | |
| | | | | | | | |
| Social Services Agency | | <u>Financial & Administration</u> | | | | | |
| | Governor's Office of Emergency Services | Child Abuse Treatment Program (CHAT) | 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. | As of 9/30/06, this audit is still in progress. | |
| | California Department of Social Services Civil Rights Bureau | Annual Civil Rights Compliance Review of CalWORKs, NAFS, Adult Services and Children and Family Services (CFS) | 6/22/06- 7/10/06 | 2/05-3/05 | To determine SSA compliance with Civil Rights mandates and requirements. Onsite visit to CalWORKs, NAFS, CFS and Adult Services designated facilities. Includes telephone interviews w/employees, case reviews, and mgmt. questionnaire. | Review completed. Report of findings sent to SSA Director. | Corrective action includes: 1. facility accessibility, 2. provisions for services for non-English speaking and disabled applicants and recipients, 3. case documentation, and 4. training. |

| Department/ Agency | Name of Third Party Auditor | Program, Process, or Area | Audit Period & Frequency | Date Last Audited | Audit Scope | Status As of 9/30/06 | Significant Findings |
|---|--|---|--------------------------------|----------------------|--|---|---|
| Social Services Agency (Cont'd.) | | <u>Financial & Administration</u> (Cont'd.) | | | | | |
| | Macias, Gini & O'Connell LLP | Temporary Assistance for Needy Families (TANF) | FYE 6/30/06 | FYE 6/30/05 | Part of Single Audit. | In process | |
| | Macias, Gini & O'Connell LLP | Food Stamp Cluster | FYE 6/30/06 | FYE 6/30/03 | Part of Single Audit. | In process. | |
| | | <u>Children & Family Services</u> | | | | | |
| | California Dept. of Education | OCH Nutritional and Food Reimbursement Audit. | 5/17/06 | 2001 | Inspect meal log count, accounting reimbursement documents, and meal service. | Report received on 6/26/06. | None. |
| | State Dept. of Social Services Community Care Licensing (CCL) | Orangewood Children's Home | FY 05/06 Annual | 7/17/02 | Unannounced walk-through inspection of facility, review of youth and personnel training records. | Report received 8/29/06. | None. |
| | Community Care Licensing (CCL)/CA Dept. of Social Svcs. | Adoption | 8/25/06 | 6/25/03 | Unannounced site visit to audit compliance with adoption licensing requirements. | Report received on 8/25/06. | None. |
| | Department of Health and Human Services | Foster Care Eligibility Title IV-E Federal | 10/05 – 3/31/06 | 2003 | Random selection based on state Adoptions and Foster Care Analysis and Reporting Systems. Title IV-E Audit. | In progress. | The threshold for the audit was a 5 % error rate. Currently the audit has 5 error cases statewide and can only have 4 error cases statewide to pass the audit. One case is pending to be taken off the error list. Therefore, if this happens, California will pass the Title IV-E audit. |
| | Macias, Gini & O'Connell LLP | Foster Care Program | FYE 6/30/06 | FYE 6/30/03 | Part of Single Audit | In process. (Audit also noted under Probation.) | |
| | Judicial Council: Judicial Review & Technical Assistance Project (JRTA) | Juvenile Dependency Court/Court Programs | FY 05/06 Annual | 3/05 | Title IV-E review of juvenile court cases to determine if appropriate judicial orders were made to support Title IV-E funding. | Audit completed. Final report pending. | None. |
| | Orange County Grand Jury Juvenile Services Committee | Child Abuse Registry and Emergency Services | 9/18/06 | 9/18/06 | Overview of the general operations of the programs. Child deaths and drug- exposed children. | Report pending. | |

| Department/ Agency | Name of Third Party Auditor | Program, Process, or Area | Audit Period & Frequency | Date Last Audited | Audit Scope | Status As of 9/30/06 | Significant Findings |
|---|--|--|--------------------------------|----------------------|---|--|---|
| Social Services Agency (Cont'd.) | | <u>Children & Family Services (Cont'd.)</u> | | | | | |
| | CA Dept. of Social Svcs. (CDSS) | Wraparound OC | FY 2005/06 | Initial review | To assess OC implementation of SB163 Wraparound. | Planned for FY 06/07, but not started. | |
| | California Department of Education | OCH Nutritional and Food Reimbursement Audit. | FY 06/07 | 5/06 | Nutritional services inspection. | Planned for FY 06/07, but not started. | |
| | Orange County Fire Department | Orangewood Children's Home | FY 06/07 Annual | 2/06 | Scheduled visit to inspect buildings and property. | Planned for FY 06/07, but not started. | |
| | Juvenile Justice Commission | Orangewood Children's Home | FY 06/07 Annual | 7/19/05 | Unannounced visit for Community Care Licensing Group Home compliance. | Planned for FY 06/07, but not started. | |
| | Dept. of Public Social Services | Refugee Cash Assistance | 7/05 | 3/03 | Accuracy of payment and eligibility determination. | Planned for FY 06/07, but not started. | |
| | Social Security Administration (SSA) | Social Security Insurance/Retirement, Survivors, and Disability Insurance (SSI-RSDI) | FY 05/06 | 3/02 | Financial/Foster Care Eligibility – review of records, telephone interviews and site visits to caregivers with eligible children. | Planned for FY 06/07, but not started. | |
| | Juvenile Justice Commission | Orangewood Children's Home | FY 06/07 Annual | 6/16/04 | Unescorted walk-through of facility with Commission staff as deemed appropriate. | Planned for FY 06/07, but not started. | |
| | Grand Jury | OCH/Emergency Shelter/GH | FY 06/07 Annual | 8/05 | Unannounced visit to inspect buildings and property. Questions about program and procedures. | Planned for FY 06/07, but not started. | |
| | | <u>Adult Services & Assistance Programs</u> | | | | | |
| | Department of Health Services (DHS) | Medi-Cal | 10/05-9/06 | 1/06 | Review compliance with Program eligibility requirements. | Report received 8/4/06. | None. |
| | Department of Health Services (DHS) | Medi-Cal | 10/05-9/06 | 1/06 | State Medi-Cal Performance Standards, specifically applications. | Report received 5/23/06. | SSA did not meet the 90% processing standards for General (88.1% compliance) or Disability-Based (88.9% compliance) applications. Based on these findings, SSA was required to complete and submit a Corrective Action Plan for Application Processing to California Department of Health Services. As of this date, SSA does not anticipate any fiscal sanction. |

| Department/ Agency | Name of Third Party Auditor | Program, Process, or Area | Audit Period & Frequency | Date Last Audited | Audit Scope | Status As of 9/30/06 | Significant Findings |
|---|---|--|--------------------------------|----------------------|---|--|----------------------|
| Social Services Agency (Cont'd.) | | <u>Adult Services & Assistance Programs (Cont'd.)</u> | | | | | |
| | State Dept. of Social Services | Food Stamps | 10/05 – 9/06 | Ongoing | Review compliance with Program eligibility requirements. | Still in process. | |
| | Macias, Gini & O'Connell LLP | Food Stamp Cluster | FYE 6/30/06 | FYE 6/30/03 | Part of Single Audit. Administration of federally funded programs with incurred expenditures greater than/equal to \$300,000 during fiscal year 2005/06. | In process | |
| | CA Dept. of Social Services (CDSS) | Food Stamps Management Evaluation Review | 7/06 Annually | 9/05 | Review compliance with program eligibility requirements. | Planned for FY 06/07, but not started. | |
| | CA Dept. of Aging | Multipurpose Senior Services Program (MSSP) | 11/04 ~ 11/06 | 1/06 | Program compliance. Scheduled for 12/4/06 ~ 12/8/06. | Planned for FY 06/07, but not started. | |
| | Department of Health Services (DHS) | Medi-Cal | 10/06-9/07 | 9/06 | Review compliance with Program eligibility requirements. | Ongoing audit. | |
| | State Dept. of Social Services | Food Stamps | 10/06 – 9/07 | 9/06 | Review compliance with Program eligibility requirements. | In process. | |
| | | <u>Program Integrity</u> | | | | | |
| | | No audits at this time. | | | | | |
| | | <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 inter- views conducted 9/17/03 – 9/19/03. Client Focus groups conducted 10/21/03. Worker surveys completed 10/23/03. Data currently sent on monthly basis. SSA was notified of delay due to data and software conversion. | |

| Department/ Agency | Name of Third Party Auditor | Program, Process, or Area | Audit Period & Frequency | Date Last Audited | Audit Scope | Status As of 9/30/06 | Significant Findings |
|---|------------------------------------|---|--------------------------------|----------------------|---|---|--|
| Social Services Agency (Cont'd.) | | Family Self- Sufficiency (Cont'd.) | | | | | |
| | Macias, Gini & O'Connell LLP | Temporary Assistance for Needy Families (TANF) | FYE 6/30/06 | FYE 6/30/2005 | Part of Single Audit. | In process. | |
| | Dept. of Public Social Services | Refugee Cash Assistance | 7/05 | 3/03 | Accuracy of payment and eligibility determination. | Planned for FY 06/07, but not started. | |
| Treasurer-Tax Collector | Moreland & Associates, Inc. | Annual Compliance Audit | 1/1/05 – 12/31/05 | 12/31/04 | Compliance Audit | Audit completed. Final audit report received. | None. Report shows: 05-1 Statement of Economic Interest on File. The auditors noted that the person representing the County Treasury Oversight Committee (TOC) member was not required to complete a Statement of Economic Interests Disclosure (State of California Form 700). Investment Policy Statement Section VII states that the TOC members shall complete on an annual basis. The auditors recommend the Treasurer develop a procedure to ensure that all persons representing a TOC member be required to complete a Statement of Economic Interests Disclosure (State of California Form 700). |
| | Moreland & Associates, Inc. | Quarterly Engagement | Quarter Ended 3/31/06 | 12/31/05 | Agreed upon procedures engagement audit. | Audit completed. Final audit report received. | None. |
| | Moreland & Associates, Inc. | Quarterly engagement of Treasury to comply with the Investment Policy Statement and Government Code | Quarter Ended 6/30/06 | 3/31/06 | Agreed upon procedures engagement audit. | Audit completed. Final audit report received. | None. |
| | Moreland & Associates, Inc. | Quarterly engagement of Treasury to comply with the Investment Policy Statement and Government Code | Quarter Ended 9/30/06 | 6/30/06 | Agreed upon procedures engagement audit. | In progress. Audit started 10-19-06. | |
| | Moreland & Associates, Inc. | Annual audit of Treasurer's compliance with CA Gov. Code Section 27130-27137. | YE 12/31/06 | YE 12/31/05 | Compliance Audit | Planned for FY 06/07, but not started. | |