

**County of Orange Internal Audit Department
Reported Cash Losses
For the Period January 1, 2007 through March 31, 2007**

Dept./Agency & Amount of Loss	Area of Cash Loss	Cash Loss/Audit No.	Date of Loss/Audit Review Period	Final Report Issued	Reported Internal Control Issues
Assessor \$100.00	Public Service Counter	2602-04	11/22 – 30/2006	N/A	Less than \$1,000 threshold – no review requested.
Treasurer-Tax Collector \$100.00	Cashiering Section	2602-05	10/30/06	N/A	Counterfeit bill. Less than \$1,000 threshold – no review requested.

Note: The Auditor-Controller assumed responsibility for reviewing cash losses, effective this reporting period.

**County of Orange Internal Audit Department
 Finding Summary for Internal Control Reviews
 For the Period January 1, 2007 through March 31, 2007**

Dept./Agency	Process Review	Audit No.	Audit Period	Final Report Issued	Reported Internal Control Issues

Note: No final Internal Control Review audit reports were issued. Draft audit reports were issued for:

- Internal Control Review of **RDMD/Facilities Operations Contract Administration and Cash Disbursements**; issued March 6, 2007.
- Internal Control Review of **Social Services Agency Revolving Funds**, issued March 20, 2007.

Departments/agencies have 60 days to submit responses for audit recommendations.

County of Orange Internal Audit Department
Summary Report on ICR Follow-Up Audits Issued
For the Period January 1, 2007 through March 31, 2007

Department/ Agency	Process Review	Audit No.	Original Report Issued	Reported Internal Control Issues	Status on Corrective Actions	Follow-Up Report Issued	Planned Actions for Recommendations Not Fully Implemented
Health Care Agency	Second Follow-Up: Contract Administration & Cash Disbursements	2637-C (for Original Audit No. 2530)	10/20/05 Initial Follow-Up Audit issued 6/12/06	1. Frequency of Annual Site Visits (Significant Issue)	Implemented	1/18/07 Final Close-Out Audit	N/A
				2. Documentation of Fiscal and Administrative Reviews (Significant Issue)	Implemented		
				3. Policies and Procedures	Implemented		
Resources and Development Management Department – Orange County Zoo at Irvine Regional Park	First Follow-Up: Cash Disbursements & Cash Receipts	2636-B (for Original Audit No. 2587)	5/25/06	Cash Disbursements:		2/21/07 Final Close-Out Audit	N/A
				1. Timely Payment of Invoices	Implemented		
				2. Segregation of Duties	Implemented		
				3. Document Retention	Implemented		
				Cash Receipts:			
				4. Segregation of Duties	Implemented		
				5. Handwritten Cash Receipt Forms	Implemented		
6. Transfer of Accountability	Implemented						
7. Check Endorsement	Implemented						
John Wayne Airport	First Follow-Up: Public Works Contract Administration	2636-C (for Original Audit No. 2567)	6/29/06	Public Works Over \$75,000 Bidding Process:	Implemented	3/8/07 Final Close-Out Audit	N/A
				1. Revise procedures	Implemented		
				2. Establish criteria for pre-qualification	Implemented		
				3. Documenting verification of contractor information	Implemented		
				4. Establish guidelines for evaluating unit price bids	Implemented		
				Project Administration/Monitoring:			
5. Address discrepancies between project financial reports	Implemented						
6. Assign responsibility to reconcile financial reports	Implemented						

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John Wayne Airport (cont'd)	First Follow-Up: Public Works Contract Administration	2636-C (for Original Audit No. 2567)	6/29/06	Submittals: 7. Establish process for receipt of submittals	Implemented	3/8/07 Final Close- Out Audit	N/A
				Field Inspections: 8. Review/update procedures for Field Inspections	Implemented		
				9. Document non-compliance in <i>Daily Inspection Report</i>	Implemented		
				10. Document Project Mgr. review of inspection reports	Implemented		
				11. Document instances when materials differ from plans.	Implemented		
				Project Completion: 12. Maintain documentation of job walks	Implemented		
				13. Maintain documentation of project scope changes	Implemented		
				Change Orders: 14. Ensure accuracy & review by Change Order Bd.	Implemented		
				15. Use standardized Change Order Logs	Implemented		
				16. Establish policy to perform work prior to C.O. approval	Implemented		
				Pay Requests: 17. Define responsibility for reviewing payment requests	Implemented		
				18. Revise procedure as needed for Progress Payments	Implemented		
				Delivery Order Contracts: Plans/Specifications: 19. Establish written procedures	Implemented		
				20. Establish procedures for evaluation of bids	Implemented		
21. Revise Job Order form	Implemented						

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John Wayne Airport (cont'd)	First Follow-Up: Public Works Contract Administration	2636-C (for Original Audit No. 2567)	6/29/06	Field Inspections: 22. Document Project Mgrs. review of Daily Inspection Reports.	Implemented	3/8/07 Final Close- Out Audit	N/A
				23. Define duties of Field Inspectors	Implemented		
				Change Orders: 24. Update procedures for Change Orders	Implemented		
				Pay Requests: 25. Establish policy on release of retention payments.	Implemented		
				26. Define responsibilities to ensure accuracy	Implemented		
Assessor	First Follow-Up: Revolving Fund	2636-F (for Original Audit No. 2596)	8/21/06	1. Perform monthly fund reconciliations	Implemented	3/15/07 Final Close- Out Audit	N/A
				2. Submit travel advance claims in compliance with CAM	Implemented		
				3. Cancel documents as "Paid"	Implemented		
District Attorney	First Follow-Up: Revolving Fund	2636-E (for Original Audit No. 2597)	8/9/06	1. Segregation of Duties	Implemented	3/19/07 Final Close- Out Audit	N/A
				2. Submit travel advance claims in compliance with CAM	Implemented		
				3. Resolve long-outstanding items on bank reconciliation	Implemented		