

EXECUTIVE SUMMARY OF EXTERNAL AUDIT ACTIVITY
For the Quarter Ended 3/31/08

<u>SUMMARY ACTIVITY</u>	
Total Audits Prior Quarter (12/31/07)	89
Additions: In Progress	2
Planned	1
Started and Completed	11
Deletions: Canceled	1
Completed	12
	<hr style="width: 100%;"/>
Total Audits Current Quarter (3/31/08) (In Progress, Planned, and/or Completed this Quarter)	<u>90</u>

Results for the Quarter:

Audits Completed – Will be Deleted Next Quarter **39**

New Findings/Issues Reported by the Departments **15**
 (15 findings from 6 audits – pgs. 1, 2, 9, 13 and 15 of report)

Material Issues: (Includes Disallowances over \$100K)

Current Quarter (new issue): **1**

1. HCA, pg. 6 of report. The final audit report of *Short-Doyle Medi-cal Cost Report*, issued 5/9/08, for FY 02-03, reported \$193,946 in disallowances out of \$33.2M in costs claimed by the County. The disallowances pertained to claiming ineligible Institutes for Mental Diseases related units and the exclusion of interest expense in administrative costs. These types of disallowances occur primarily because of clarification in policy that is made known after the reports have been submitted. HCA will not appeal. This audit will be removed from the External Audit Activity Report next quarter.

Prior Quarter (old issues pending completion): **3**

1. HCA, pg. 4 of report. The *SB-90 Seriously Emotionally Disturbed Out-of-State Clients* second draft audit report, for FYs 00-01 and 01-02, reported approximately \$600K in unallowable costs out of \$2,763,988 total claimed by the County. The unallowable costs resulted primarily from the State Auditors claiming that the County claimed ineligible vendor payments for out-of-state residential placement of seriously emotionally disturbed pupils in facilities that are owned and operated for profit. According to regulations, all placements should be into non-profit institutions. County Counsel assisted in drafting the response and is assisting in HCA's appeal. As of 5/19/08, HCA has not received the final audit report.

Material Issues (Cont'd.):

Prior Quarter (Cont'd.):

2. HCA, pg. 5 of report. The ***SB-90 Seriously Emotionally Disturbed Out-of-State Clients*** draft audit report, for FYs 02-03, 03-04, and 04-05, reported \$1,314,646 unallowable costs out of \$6,992,266 total claimed by the County. The unallowable costs are due to the State Auditors claiming that the County claimed ineligible vendor payments for out-of-state residential placement of seriously emotionally disturbed pupils in facilities that are owned and operated for profit. HCA is appealing with the assistance of County Counsel. As of 5/19/08, HCA has not received the final audit report

3. HCA, pg. 5 of report. The ***SB-90 Handicapped & Disabled Students*** final audit report, for FYs 02-03, 03-04, and 04-05, was received by HCA. There were no changes from the draft audit report. Unallowable costs were reported at \$329,862 out of \$30,698,167 claimed by the County. The disallowances were primarily due to claiming out-of-state case management units included in another claim and claiming ineligible crisis intervention services. HCA will not appeal and has implemented corrective actions as necessary. This audit will be removed from the External Audit Report next quarter.

Total Material Issues

4

EXTERNAL AUDIT ACTIVITY
Quarterly Status Report
3rd Quarter FY 07-08

Results: One new material finding was reported to Internal Audit this quarter. (See pg. 6.)

The schedule below identifies the status of external audits as of 3/31/08, 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 3/31/08	Significant Findings
Assessor	No audits in progress.						
Auditor-Controller		<u>CEO/Public Finance Accounting</u>					
		No audits in progress.					
		<u>Collections</u>					
		No audits in progress.					
		<u>Financial Reporting</u>					
	Macias, Gini & O'Connell LLP	Comprehensive Annual Financial Report	FYE 6/30/07 Annually	FYE 6/30/06	Compliance and Financial. All Funds, GAAP.	Report issued 12/12/07. CAFR issued 12/20/07. Management letter issued 3/28/08.	No significant findings. Management comments: 1. SSA – <i>Recording of Time</i> – Hours on time study did not agree with hours recorded on VTI for 18 out of 40 employees. 2. CEO/Risk Management – <i>Information provided to the Actuary</i> was the number of budgeted positions instead of the employee count per AHRS report. 3. SSA – <i>Written procedures for documenting compliance for Temporary Assistance for Needy Families Program</i> – When IEVS paper report IFD 400 not available, used CalWIN system as back-up. (3 new findings)

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 3/31/08	Significant Findings
Auditor-Controller (Cont'd.)		<u>Financial Reporting (Cont'd.)</u>					
	Macias, Gini & O'Connell LLP	Single Audit Report OMB A-133 Expenditures	FYE 6/30/07	FYE 6/30/06	OMB A-133 Expenditures of Federal Assistance.	Report issued 3/26/08.	Findings and questioned costs were: <ol style="list-style-type: none"> 1. SSA - <i>Temporary Assistance for Needy Families (TANF)</i> – 19 out of 40 Income Eligibility & Verification reports were not reviewed within 45 days from match date. 2. SSA - <i>TANF – Eligibility</i> – 3 out of 40 cases were missing the SAWS 2A form. 3. SSA - <i>TANF – Special Tests & Provisions</i> – 1 out of 31 missing NOA 840 form. 4. HCS - <i>Community Development Block Grant –Subrecipient Monitoring</i> - 9 out of 14 worksheets not signed by monitor/project leader. 5. HCA - <i>Alcohol and Drug Program</i> – Follow-up site visit not conducted for 3 subrecipients. 6. S-C - <i>State Homeland Security Grant</i> – 11 out of 24 timesheets not approved by commander or designee. 7. S-C - <i>State Homeland Security Grant</i> – 22 out of 40 invoices did not contain initials/signatures approving payment. 8. S-C - <i>State Homeland Security Grant</i> – Contractor or sub-contractor did not provide copy of certified payroll records to S-C dept. (8 new findings) (Also noted under the specific departments.)
	Macias, Gini & O'Connell LLP	Tobacco Settlement Revenue (TSR) Fund	FYE 6/30/07	FYE 6/30/06	Agreed upon procedures.	Report issued 1/08. (Listed under HCA and S-C also.)	None.
	Macias, Gini & O'Connell LLP	Office of Emergency Services	FYE 6/30/07	FYE 6/30/06	In accordance with OES Grants Audit Program.	Report issued on 3/10/08.	In regards to the California Multi- Jurisdictional Methamphetamine Enforcement Team (CAL MMET) Grant, auditors found that the timesheets were not signed by the employee. (1 new finding)
		<u>General Ledger</u>					
		No audits in progress.					
		<u>Property Tax</u>					
		No audits in progress.					

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
Child Support Services	Dept. of Health & Human Services (DHHS)	Undistributed collections and fiscal reporting (CS 356). County is being audited as part of Department of Child Support Services (DCSS).	N/A	N/A	Review to determine if undistributed collections and interest earned on program funds were properly reported as program income.	Draft audit report received on 1/25/08. CSS responded to DCSS on 2/11/08.	<ol style="list-style-type: none"> 1. Program income totaling \$3,011 for undistributable collections recognized as abandoned by County, was not reported on the state claim. 2. Program income totaling \$46,501 for interest earned on child support collections was not reported on the state claim. 3. State is monitoring the County in resolving unclaimed child support collections 3 years old or older as of 3/31/06, and requiring the collections recognized as abandoned be reported as program income pursuant to State requirements.
	Federal Auditor Glen Branson	Data Reliability – Annual CS157 State Statistical Report Prepared by Quality Assurance & Program Improvement Team	Prior federal Fiscal Year 05-06 Annually	2/21/07	Review of line items related to cases with support orders, paternity establishment and medical support for the Federal/Annual State Statistical Report (CS157). Line items 1, 2, 5, 6, 9, 2E, 21, and 21a.	As of 3/31/08, CSS has contacted the auditor and waiting to hear from him on the results.	Preliminary audit found no deficiencies. Pending results from auditor.
	Macias, Gini & O'Connell LLP	Child Support Enforcement Program	FYE 6/30/07	FYE 6/30/04	Part of Single Audit.	Issued audit report dated 3/26/08.	None.
	Department of Child Support Services (DCSS), Office of Audits and Compliance	Trust Fund Financial Close-Out Report	N/A	N/A	Review of Trust Fund Reconciliation process and supporting documentation as it relates to the Financial Closeout Report.	Audit report has been delayed due to DCSS staff changes.	
	Department of Child Support Services (DCSS)	Annual Performance Review	Annually	12/22/06	To ensure compliance with state and federal program requirements.	Review completed and report submitted to State 2/22/08.	No significant findings. Review found compliance in Program Administration, Expedited Process, and a 90.9% compliance rating in the Case Management area.
	Federal Auditor Glen Branson	Data Reliability – Case Information and Reporting on CS157 Report	Annually	3/7/07	To ensure accuracy of data in the computer system and accuracy of the Federal/ Annual State Statistical Reports (CS157).	Planned for FY 07/08, but not started.	
Clerk of the Board of Supervisors	No audits in progress.						

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
County Clerk-Recorder	No audits in progress.						
County Counsel	No audits in progress.						
County Executive Office	State Dept. of Alcohol & Drug Programs	Substance Abuse & Crime Prevention Act (SACPA) Prop. 36	FY 02/03 ~ 03/04 Annual	Audit Report dated 6/8/06	Proper recording of revenue/expense and allowable costs per SACPA regulations.	Draft report issued. (Audit also noted under HCA, Probation, and Pub. Defender.)	
	Grant Thornton	Data Center Contract for services provided to the County by ACS State and Local Solutions, Inc.	1 Time	Approx. 10 years ago	Agreed upon procedures to audit expenses, invoices, and timesheets	Report is complete; but not issued yet due to contractual liability issues that ACS needs to work out with the audit firm before delivery to the County.	
District Attorney	Macias, Gini & O'Connell LLP	Statutory Rape Vertical Prosecution Program	7/1/06 – 6/30/07	6/30/06	Expenditures and grant compliance.	Audit report issued and dated 3/10/08.	None.
	State of CA – Office of Emergency Services (OES)	Juvenile Accountability Block Grant #CSA 044-07	FY 07/08	6/20/06	Compliance and fiscal audit.	Report issued.	None.
Health Care Agency		<u>Administration</u>					
	Macias, Gini & O'Connell LLP	Tobacco Settlement Revenue (Previously reported under Public Health)	FY 2006-07	FY 05/06	Financial Review/Agreed Upon Procedures related to Tobacco Settlement Funds.	Audit report finalized and dated 1/4/08. (Also noted under A/C and Sheriff.)	None.
		<u>Behavioral Health</u>					
	State Controller's Office	SB90 Seriously Emotionally Disturbed (SED) Out of State Clients	FY 00/01~ FY 01/02	2002	Program and SB90 claim audit.	Second draft received in January 2008.	Auditors have identified issue with placements of some clients into for-profit subcontractors of County non-profit institutions. Potential disallowances for these years total approximately \$600K. The County is appealing. (See Executive Summary of External Audit Activity for more information.)

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	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 3/31/08, 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 1/11/05. If the State accepts the revised cost report, the State could pay back approx. \$400,000 in Medi-Cal revenue.
	State Controller's Office (SCO)	SB90 Handicapped & Disabled Students	FY 02/03 ~ FY 04/05	2005	Program and SB90 Claim Audit	Received final report.	Audit disclosed \$329,862 of unallowable costs out of \$30,698,167 total claimed costs. HCA will not appeal. (See Executive Summary of External Audit Activity for more information.)
	State Controller's Office	SB90 Seriously Emotionally Disturbed (SED) Out of State Clients	FY 02/03 ~ FY 04/05	2005	Program and SB90 Claim Audit	Draft report received in January 2008.	Audit disclosed \$1,314,646 of unallowable costs out of \$6,992,266 total claimed costs. HCA is appealing. (See Executive Summary of External Audit Activity for more information.)
	Macias, Gini & O'Connell LLP	Alcohol & Drug Program	FYE 6/30/07	FYE 6/30/04	Part of Single Audit	Audit report issued 3/28/08.	Follow-up site visit not conducted for 3 subrecipients. No financial impact.
	State Department of Mental Health	Early and Periodic Screening, Diagnostic & Treatment (EPSDT) – Olive Crest Treatment Center (contract provider) #00518	FY 05/06	5/1/06	EPSDT Medical Services Billed	As of 3/31/08, audit report pending.	None known.
	State Department of Mental Health	Early and Periodic Screening, Diagnostic & Treatment (EPSDT) – Western Youth Services (contract provider) Provider #00480	FY 05/06	2/4/05	EPSDT Medical Services Billed	As of 3/31/08, audit report pending.	None known.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
Health Care Agency (Cont'd.)		<u>Behavioral Health (Cont'd.)</u>					
	State Department of Mental Health (DMH)	Early and Periodic Screening, Diagnostic & Treatment (EPSDT) - South Coast Children's Society (contract provider #00916)	FY 05/06 (originally reported as FY 07/08)	2/05	EPSDT Medical Services Billed	As of 3/31/08, audit report pending.	None known.
	State Department of Mental Health (DMH)	Early and Periodic Screening, Diagnostic & Treatment (EPSDT) - Community Svc. Prog. Inc. (contract provider #00654)	FY 05/06 (originally reported as FY 07/08)		EPSDT Medical Services Billed	As of 3/31/08, audit report pending.	None known.
	State Dept. of Alcohol & Drug Programs	Substance Abuse Crime Prevention Act (SACPA) Prop. 36	FY 02/03 ~ 03/04	5/07	SACPA Financial Reports	Draft report issued. (Also listed under CEO, Probation and Public Defender.)	None.
	State Department of Mental Health	Early and Periodic Screening, Diagnostic & Treatment (EPSDT) - Kinship Center (contract provider) Provider #00596	FY 05/06	New	EPSDT Medical Services Billed	As of 3/31/08, audit report pending.	None known.
	State Department of Mental Health	County Mental Health Plan Services	Triennial program review (May- July 2007)	3/7/05 ~ 3/11/05	Behavioral Health Medi-Cal services billed.	Audit date 10/1/07 ~ 10/5/07. Report issued and dated 1/28/08.	None.
	State Corrections Standards Authority	Mentally Ill Offender Crime Reduction Grant Program (MIOCR)	1/1/07 ~ 12/31/07	N/A	Program Review	Report issued and dated 1/28/08.	None.
	State Department of Mental Health	Short-Doyle Medi-Cal Cost Report	2002/2003 Annually	2006	Cost Report Audit	Final report issued 5/9/08.	Auditors found disallowances of \$193,946 out of \$33.2M in costs claimed by the County. (See Executive Summary of External Audit Activity for more information.)

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
Health Care Agency (Cont'd.)		<u>Behavioral Health (Cont'd.)</u>					
	State Controller's Office	SB90 Handicapped & Disabled Students	FY 05/06	2006	Program and SB90 Claim Audit	Planned for FY 07/08, but not started.	
	State Controller's Office	SB90 Seriously Emotionally Disturbed (SED) Out of State Clients	FY 05/06	2006	Program and SB90 Claim Audit	Planned for FY 07/08, but not started.	
	State Department of Mental Health	DMH Program Audit	Triennial	FY 04/05	Medi-Cal Compliance	Planned for FY 07/08, but not started.	
		<u>Medical & Institutional Health Services</u>					
		No audits in progress.					
		<u>Regulatory Health Services (includes Environmental Health)</u>					
	CA Integrated Waste Mgmt. Board	Local Enforcement Agency Audit	8/04 ~ 8/07	10/04	Program and Finance Review	Final evaluation issued 1/29/08.	None.
	State Controller's Office	Local Oversight Program (LOP)	7/1/04 ~ 6/30/07 Triennial	7/13/05	Financial and Program Review	Planned for FY 07/08, but not started.	
		<u>Public Health</u>					
	Health Resources & Services Admin. (HRSA)	Title I Review (Ryan White Part A)	FY 2002, 2003, & 2004	Unknown	Program Review	Draft report issued. As of 3/31/08, still waiting for final report.	Questioned costs of \$143K related to monitoring of contract provider. County appealed, and the Department of Health and Human Services reversed \$121K of the disallowance. Check for \$121K was received from HRSA in 4/07.
	Dept. of Health Services (DHS)	Regional Nutrition Network	7/1/06 ~ 9/30/06	New	Desk Review - Fiscal	As of 3/31/08, pending State's response.	

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
Health Care Agency (Cont'd.)		<u>Public Health</u> (Cont'd.)					
	Macias, Gini & O'Connell LLP	Women, Infants and Children (WIC)	FYE 6/30/07	FYE 6/30/04	Part of Single Audit	Audit report issued on 3/28/08.	None.
	Health Resources & Services Admin. (HRSA)	Ryan White Part B	FY 06/07	Unknown	Financial and Program Review	Draft report issued 3/26/08.	None.
	Macias, Gini & O'Connell LLP	Public Health Preparedness & Response to Bioterrorism Grant/Pandemic Influenza	FYE 6/30/07	New	Part of Single Audit	Audit report issued on 3/28/08.	None.
	CA Dept. of Public Health	Health Promotion, Cancer Detection Section	FY 2007/2008	N/A	Program Review	Waiting on State's final letter.	None known.
	Dept. of Health Services (DHS) Medical Review Branch	CA Children's Services (CCS) Division Medical Therapy Program	2007-2008	N/A	Pre-payment random claims review of two dates of service.	No report will be issued. Considered closed by the State.	None.
	Dept. of Health Services (DHS)	CA Children's Services (CCS) Medical Therapy Program – Dana Medical Therapy Unit	9/4/07-9/4/09	9/17/99	Medi-Cal Outpatient Rehabilitation Certification Review	Received approval letter 9/07.	None.
	Dept. of Health Services (DHS)	CA Children's Services (CCS) Medical Therapy Program – Carl Harvey Medical Therapy Unit	9/18/07- 9/18/09	9/17/99	Medi-Cal Outpatient Rehabilitation Certification Review	Received approval letter 9/07.	None.
	Dept. of Health Services (DHS)	CA Children's Services (CCS) Medical Therapy Program – Reilly Medical Therapy Unit	9/25/07- 9/25/09	9/17/90	Medi-Cal Outpatient Rehabilitation Certification Review	Received approval letter 9/07.	None.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
Health Care Agency (Cont'd.)		<u>Public Health</u> (Cont'd.)					
	Dept. of Health Services (DHS)	CA Children's Svcs. Medical Therapy Program – Tustin Medical Therapy Unit	9/4/07-9/4/09	N/A	Medi-Cal Outpatient Rehabilitation Certification Review	Received final approval letter 1/08.	None.
	Dept. of Health Services (DHS)	CA Children's Svcs. Medical Therapy Program – Baden Powell Medical Therapy Unit	10/11/07 – 10/11/09	9/17/99	Medi-Cal Outpatient Rehabilitation Certification Review	Received approval letter 10/07.	None.
	Dept. of Health Services (DHS)	CA Children's Svcs. Medical Therapy Program – Woodcrest Medical Therapy Unit	10/23/07- 10/23/09	9/17/99	Medi-Cal Outpatient Rehabilitation Certification Review	Approval pending.	Space modifications needed. (1 new finding)
	Dept. of Public Health Svcs./ State WIC Branch	Family Health Division WIC (Women, Infants, Children) Supple- mental Nutrition Education Program	Bi-annually	4/06	Full Program Review – Clinic Observations and Document Review	Planned for FY 07/08, but not started.	
	Dept. of Public Health Svcs./ Network	Family Health Division Nutrition Network Local Incentive Award	Unknown	11/06	Follow-up Contract Manager Visit/Desk Review to Program Compliance Review	Planned for FY 07/08, but not started.	
	CA Dept. of Health Svcs./ TCM Committee	Targeted Case Mgmt. – Public Health Community Nursing	Annually with 30-day notice.	Unknown	Full Program Review	Planned for FY 07/08, but not started.	
	CA Dept. of Health Svcs.	Preventative Health Care for the Aging- Public Health Community Nursing	Annually with 30-day notice.	Unknown	Full Program Review	Planned for FY 07/08, but not started.	
	Children and Families Commission of Orange County	Prop. 10 Programs - Public Health Community Nursing	Annually with 30-day notice.	Unknown	Full Program Review	Planned for FY 07/08, 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 3/31/08	Significant Findings
Housing and Community Services Dept.		<u>Orange County Housing Authority</u>					
	Macias, Gini & O'Connell LLP	HUD Section 8	FYE 6/30/07	FYE 6/30/04	Part of Single Audit	Report issued and dated 3/26/08.	None.
	Macias, Gini & O'Connell LLP	Orange County Housing Authority	FYE 6/30/07	FYE 6/30/06	Financial Review (Agreed Upon Procedures Audit of Financial Data Schedules of OCHA for Housing Choice Vouchers & Section 8 Programs)	Review completed and report issued and date 12/12/07. Online submission on 3/26/08.	None.
	Macias, Gini & O'Connell LLP	Shelter Plus Care	FY 06/07	First Time	Single Audit	Report issued and dated 3/26/08.	None.
		<u>Community Investment Division</u>					
	Macias, Gini & O'Connell LLP	Workforce Investment Act Cluster (WIA)	FYE 6/30/07	FYE 6/30/04	Part of Single Audit	Report issued and dated 3/26/08.	None.
	Employment Development Department	Workforce Investment Act	FY 07/08	FY 06/07	Program and Fiscal Monitoring	Audit scheduled for 5/08.	
		<u>Office on Aging</u>					
	CA Dept. on Aging	Office on Aging	FY 06/07 & 07/08	FY 01/02 to 03/04	Program Monitoring	Report issued 1/5/08.	None.
		<u>Orange County Development Agency</u>					
		No audits in progress.					
		<u>Community Advocacy Division</u>					
	Macias, Gini & O'Connell LLP	Community Development Block Grant (CDBG)	FYE 6/30/07	FYE 6/30/04	Part of Single Audit	Report issued and dated 3/26/08.	Subrecipient Monitoring - 9 out of 14 worksheets not signed by monitor/project leader.
Human Resources Department	No audits in progress.						
Internal Audit Department	No audits in progress.						

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
John Wayne Airport	U.S. Attorneys' Office & FAA	FAA Grant Projects	1996-2004	N/A	TBA	In progress.	None known.
	Macias, Gini & O'Connell LLP	Airport Improvement Program (Single Audit)	FY 06/07 Annual	Report issued 11/21/06	Compliance with U.S. Office of Management and Budget (OMB) Circular A-133.	Planned for FY 07/08, but not started.	
	TBA (Coordinated with CEO-IT)	IT Security	TBA	None	TBA	Planned for FY 07/08, but not started.	
OC Dana Point Harbor	No audits in progress.						
OC Public Works (formerly RDMD)		<u>Watershed & Coastal Resources</u>					
	EPA Contractor on behalf of San Diego Regional Water Quality Control Board	County of Orange Stormwater Program Implementation in South County	Random	June 2003	Spill Response and Municipal Component	Audit conducted on 9/21/07. Received audit report in 1/08.	No significant findings. Four minor comments were stated in the audit report and have already been addressed by watershed staff.
		<u>Flood Control/SAR Project</u>					
		No audits in progress.					
		<u>OC Roads</u>					
	Transportation Corridor Agencies	Road Fee Program	Annual	3/07	Fiscal – Collection and submission of thoroughfare fees collected in compliance with program's guidelines.	Onsite audit conducted 3/25/08. Finding will not be transmitted for several months.	
	State Controller's Office	Annual Road Report	Annual	FY 02/03	Fiscal – Audit of Annual Road Report submitted to the SCO for FY 03/04 to 06/07.	Scheduled to begin 4/14/08.	
OC Waste & Recycling (formerly IWMD)	Macias, Gini & O'Connell LLP	IWMD Financial Statements IWMD Accounting	FYE 6/30/07 Annually	FYE 6/30/06	Financial and Compliance Audit	Report received 2/14/08.	None.
Orange County Public Library	No audits in progress.						

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
Probation	State of California Dept of Alcohol and Drug Programs	Prop 36 Program	FY 02-03 and 03-04	April 2006	Program and financial audit by the State Department of Alcohol and Drug Programs for HCA, Probation, DA and Pub Def.	Draft report issued. Probation has met with HCA and provided its comments; Probation has also conferred with the State. (Audit also noted under CEO, HCA, and Public Defender.)	None.
Public Administrator/ Public Guardian	Robert Higson IRS Tax Attorney	Accounting/Finance	3 Months (minimum)	12/5/07	Decedent's 706 Federal Estate Tax Return	Audit is pending information from CA Probate Court Referee's Inventory and Appraisal Report.	
	Mary Pajot	Social Security Administration/ Representative Payee Program	2/07-1/08 Tri-annual	3/19/08	Review SSA Income to PA/PG conservatees as part of the SSA Representative Payee Program	Report issued.	None.
Public Defender	State of California Dept of Alcohol and Drug Programs	Proposition 36	FY 02-03 and 03-04	April 2006	Reimbursement Claims	Draft report issued. (Audit also noted under CEO, HCA, and Probation.)	
Registrar of Voters	Macias, Gini & O'Connell LLP	Election Voting Equipment/Help America Vote Act (HAVA)	FYE 6/30/07	N/A	Part of Single Audit. Review HAVA grant purchase of VVPAT and absentee ballot mailing system (Pitney Boves).	Audit report issued 3/26/08.	None.
Sheriff-Coroner	Office of National Drug Control Policy/ KPMG	Regional Narcotics Suppression Program (RNSP)	1/1/03 ~ 12/31/04	8/04	Grant Compliance Audit	Draft report received. As of 3/31/08, pending final report.	None.
	Macias, Gini & O'Connell LLP	Tobacco Settlement Revenue (TSR) Fund	FYE 6/30/07 Annual	FYE 6/30/06	Agreed Upon Procedures	Audit report issued and dated 1/4/08. (Also listed under A/C and HCA)	None.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
Sheriff-Coroner (Cont'd.)	Macias Gini & O'Connell LLP	California Multi- Jurisdictional Methamphetamine Enforcement Team (CAL MMET) Grant	FYE 6/30/07	New	Expenditures and grant compliance.	Issued, Report dated March 10, 2008	No significant issues. There was one finding pertaining to timesheets not signed by an employee, totaling \$27,139 in labor costs. Sheriff-Coroner corrected the error and received a letter of satisfaction from the Governor's Office of Emergency Services considering the matter resolved. (1 new finding)
	Macias, Gini & O'Connell LLP	State Homeland Security Program	FYE 6/30/07	New	Part of Single Audit	Issued, Report dated March 26, 2008.	<ol style="list-style-type: none"> 1. Allowable Costs (payroll) - 11 out of 24 timesheets not approved by division commander or designee. 2. Allowable Costs (non-payroll) - 22 out of 40 invoices did not contain initials/signatures approving payment. 3. Davis-Bacon Act - Contractor or sub- contractor did not provide copy of certified payroll records to S-C's dept.
	Los Angeles High Intensity Drug Trafficking Agency	Regional Narcotics Suppression Program (RNSP)	1/1/05 - 12/31/06 Annual	1/1/03 - 12/31/04	Program Review of HIDTA Grant	Planned for FY 07/08, but not started.	
	Governor's Office of Homeland Security	State Homeland Security Grant	2004 & 2005 Program Years	1/07	Grant Compliance & Financial Audit	Planned for FY 07/08, but not started.	
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 3/31/08, audit is still in process.	
	Macias, Gini & O'Connell LLP	Social Services Block Grant	6/30/07	New	Part of Single Audit	Report issued and dated 3/26/08.	None.

Department/ Agency	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status As of 3/31/08	Significant Findings
Social Services Agency (Cont'd.)		<u>Financial & Administration</u> (Cont'd.)					
	Macias, Gini & O'Connell LLP	Temporary Assistance for Needy Families (TANF)	6/30/07	FYE 6/30/06	Part of Single Audit	Report issued and dated 3/26/08.	Findings and questioned costs were: 1. SSA - <i>Temporary Assistance for Needy Families (TANF)</i> – 19 out of 40 Income Eligibility & Verification reports were not reviewed within 45 days from match date. 2. SSA - <i>TANF – Eligibility</i> – 3 out of 40 cases were missing the SAWS 2A form. 3. SSA - <i>TANF – Special Tests & Provisions – Penalty for Refusal to Work</i> - 1 out of 31 missing NOA 840 form.
	Dept. of Social Services Fraud Bureau	Income and Eligibility Verification System (IEVS) for California Work Opportunity and Responsibility to Kids (CalWORKS) and Food Stamp Programs	4/2/07 – 5/2/07	5/13/02 - 5/16/02	Evaluate the operation of County's IEVS and monitor compliance with IEVS requirements. Determine County's effectiveness in identifying and collecting CalWORKS Overpayments and Food Stamps Over Issuances.	Planned for FY 07/08, but not started.	
		<u>Children & Family Services</u>					
	Orange County Fire Department	Orangewood Children's Home	01/01/08 to 12/31/08 Annual audit conducted 01/29/08	01/22/07	Main building plus all other structures on site were inspected for Fire Code compliance.	Orange Fire Dept. Fire Code, Care Facilities 24 Hour Care Operations Permit was received 3/25/08, and posted on premises as required. Permit was issued 1/08.	No violations or corrections per the inspector.
	Grand Jury	Orangewood Children's Home	FY 07/08 Annual	1/11/07	Unannounced visit to inspect buildings and property. Questions about program and procedures.	Planned for FY 07/08, but not started.	
	Community Care Licensing (CCL)	Adoption	Annual	8/25/06	Unannounced visit to audit compliance with adoption licensing requirements.	Planned for FY 07/08, 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 3/31/08	Significant Findings
Social Services Agency (Cont'd.)		<u>Children & Family Services (Cont'd.)</u>					
	Administrative Office of the Courts, Center for Families, Children & the Courts, Judicial Review and Technical Assistance Project	Juvenile Court Dependency Proceedings, Adoptions and Safe Family Act (ASFA) Title IV-E Compliance	04/07 to 03/08 Annual audit conducted 03/19- 03/21/08.	03/21/07	10 randomly selected cases <ul style="list-style-type: none"> • 4 Detention Hearings • 6 Pre Permanency Hearings. • 5 Permanency Hearings • 4 Post Permanency Hearings. 	Review completed March 21, 2008. Written report pending.	Several modifications to current Stipulation forms were identified which will be included in the written report.
	CA Dept. of Social Services	Relative Approved Units	FY 07/08	2003	Randomly selected cases from Child Welfare Services Case Management System to review accuracy and timeliness of completion of relative and non-relative Extended Family Member assessments, approvals and denials.	Planned for FY 07/08, but not started.	
	CA Dept. of Industrial Relations	Orangewood Children's Home	FY 07/08	3/28/07	Scheduled visit to inspect elevator.	Planned for FY 07/08, but not started.	
		<u>Adult Services & Assistance Programs</u>					
	State Dept. of Social Services USDA Food & Nutrition Svcs.	Food Stamps	Federal Fiscal Year 06/07 (10/06 – 9/07)	Ongoing	Review compliance with Program eligibility requirements.	As of 3/31/08, audit still in process. Accuracy rate for FY 2007 is 94.9%.	
	CA Dept. of Health Care Services	Medi-Cal	2007/08	6/07	Review compliance with program eligibility requirements on a random sample of cases for the period ending 10/06 – 3/07.	Report dated 10/1/07. Accuracy rate is 96.1%.	In 7 out of 181 cases reviewed, there were errors due to workers still developing proficiency in the new state CalWIN system. Corrective action has been taken. (1 new finding)
	CA Dept. of Health Care Services	Medi-Cal	8/07	5/16/05	State Medi-Cal Performance Standards: Application Processing Review.	Planned for FY 07/08, but not started.	
	CA Dept. of Social Services	Food Stamps Management Evaluation Review	FYE 2006/07	Ongoing	Review compliance with program eligibility requirements.	Planned for FY 07/08, 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 3/31/08	Significant Findings
Social Services Agency (Cont'd.)		<u>Program Integrity</u>					
		No audits at this time.					
		<u>Family Self- Sufficiency</u>					
	CA Dept. of Social Services Refugee Programs Bureau (CDSS/RPB)	Refugee Cash Assistance (RCA)	12/07	04/07	Review of compliance with RCA program requirements.	Review completed. Report dated 03/07/08. Clarifying with CDSS/RPB. Corrective actions being taken by regional staff.	Unknown. Will provide information next quarter.
Treasurer-Tax Collector	Moreland & Associates, Inc.	Quarterly engagement of Treasury to comply with the Investment Policy Statement and Government Code	Quarter Ended 12/31/07	9/30/07	Agreed Upon Procedures Engagement Audit	Report pending.	There was one finding, which will be disclosed when the final report has been issued.
	Moreland & Associates, Inc.	Quarterly engagement of Treasury to comply with the IPS and Government Code	Quarter Ended 3/31/08	12/31/07	Agreed Upon Procedures Engagement Audit	Completed on 4/16/08. Report pending.	None.
	Moreland & Associates	SB866 Annual Audit of Compliance with government code and the IPS	YE 12/31/07	YE 12/31/06	Compliance Audit	Planned for FY 07/08, but not started.	