



PETER HUGHES, Ph.D., C.P.A.
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INTERNAL AUDIT DEPARTMENT

May 31, 2000

INTERNAL AUDITOR'S REPORT ON AGREED-UPON PROCEDURES APPLIED TO THE STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY

David E. Sundstrom
Auditor-Controller:

Attention: John Nakane, Chief of Agency and Support Accounting

We have performed the agreed-upon procedures enumerated below, which were agreed to by the Auditor-Controller, for the purpose of assisting the Auditor-Controller in verifying the amount and kind of money and the amount of bank receipts in the Treasury as shown on the Statement of Assets Held by the County Treasury at March 31, 2000 (Statement), in accordance with Government Code Sections 26920(a), and 26912 through 26923. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of Auditor-Controller management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures and the associated findings are as follows:

1. We will observe a count of the treasury cash and receipts, performed by Treasury Cash Cage personnel, for bank deposits in the Treasury of the County of Orange at the close of business on March 31, 2000 and agree to the Treasurer's Detail Transaction Report.

Finding:

We found no exceptions as a result of the procedure.

2. We will independently confirm bank balances in the County Treasury for all bank accounts active at March 31, 2000 and agree responses to Treasurer's General Ledger Report through Treasurer's demand account reconciliations.

Finding:

We found no exceptions as a result of the procedure.

3. We will review Treasurer's reconciliations of demand accounts and determine reasonableness of reconciling items above our calculated materiality.

Finding:

We found no exceptions as a result of the procedure.

4. We will independently confirm all investments in the Treasurer's portfolio, per the Sungard Investment Report, at March 31, 2000 and agree responses to the Sungard Investment Report.

Finding:

We found no exceptions as a result of the procedure.

5. We will review Treasurer's reconciliations of investments and determine reasonableness of reconciling items above our calculated materiality.

Finding:

We found no exceptions as a result of the procedure.

6. We will review reconciliations of Treasurer's cash and investments to Auditor-Controller General Ledger's reports and determine reasonableness of reconciling items above our calculated materiality.

Finding:

We found no exceptions as a result of the procedure.

The Statement was prepared on the cash basis, as modified, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Statement is the responsibility of Treasury management.

In performing these agreed-upon procedures, we used materiality levels calculated in accordance with the Guide to Audits of Local Governments issued by the Practitioners Publishing Company.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an

David E. Sundstrom
May 31, 2000

opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, the report will be a matter of public record and its distribution is not limited.

The working papers for this engagement are the property of the County of Orange Internal Audit Department and constitute public information. If requested, access to such working papers will be provided under the supervision of the County of Orange Internal Audit Department personnel.

Sincerely,

[Note: Original, signed letter on file with Clerk of the Board.]

Peter Hughes, CPA
Director



STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY

March 31, 2000

ASSETS

Cash on Hand	\$ 33,488
Cash in Banks	92,140,827
Investments, stated at cost	<u>3,288,561,249</u>
 TOTAL	 <u>\$ 3,380,735,564</u>

Note 1 – Investments include \$996,558 of accrued interest at date of purchase.

Signed:

[Note: Original, signed letter on file with Clerk of the Board.]

John M. W. Moorlach, C.P.A., CFP
Treasurer-Tax Collector