



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

2005 Recipient of the Institute of Internal Auditors'
Award for Recognition of Commitment to
Professional Excellence, Quality and Outreach

Integrity ♦ Objectivity ♦ Independence

FINAL CLOSE-OUT

**FIRST FOLLOW-UP AUDIT
OF THE
AUDIT OF JOHN WAYNE AIRPORT**

**PUBLIC WORKS CONTRACT ADMINISTRATION
(ORIGINAL AUDIT No. 2567)**

As of March 6, 2007

AUDIT NUMBER: 2636-C

REPORT DATE: MARCH 8, 2007

Audit Director:	Peter Hughes, Ph.D., CPA
Deputy Director:	Eli Littner, CPA, CIA
Senior Audit Manager:	Michael Goodwin, CPA, CIA
Audit Manager:	Winnie Keung, CPA, CIA

Final Close-Out

**First Follow-Up Audit of the
Audit of John Wayne Airport
Public Works Contract Administration**

Original Audit No. 2567

As of March 6, 2007

TABLE OF CONTENTS

Transmittal Letter.....	i
INTERNAL AUDITOR'S REPORT.....	1



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT

2005 Recipient of the Institute of Internal Auditors'
Award for Recognition of Commitment to
Professional Excellence, Quality and Outreach

Integrity ♦ Objectivity ♦ Independence

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

MICHAEL J. GOODWIN
CPA, CIA
SENIOR AUDIT MANAGER

ALAN MARCUM
MBA, CPA, CIA, CFE
SENIOR AUDIT MANAGER

AUTUMN MCKINNEY
CPA, CIA, CGFM
SENIOR AUDIT MANAGER

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/

Transmittal Letter

Audit No. 2636-C

March 8, 2007

TO: Alan L. Murphy, Director
John Wayne Airport

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department

SUBJECT: **Final Close-Out Follow-Up Audit** of the
Audit of John Wayne Airport Public Works Contract Administration
Original Audit No. 2567, Issued June 29, 2006

We have completed a first and Final Follow-Up Audit of public works contract administration at John Wayne Airport. Our audit was limited to reviewing, as of March 6, 2007, actions taken to implement the twenty-six (26) recommendations in our audit report dated June 29, 2006. The results of our Follow-Up Audit are discussed in the **Internal Auditor's Report** following this transmittal letter. Because satisfactory corrective action has been taken for the twenty-six recommendations, this report represents the close-out of the original audit.

Each month I submit an **Audit Status Report** to the Board of Supervisors (BOS) where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Loan Leblow, Assistant Airport Director
Larry Serafini, Deputy Airport Director, JWA/Facilities
Glenn Owens, Manager, Airport Development
Scott Suzuki, Quality Assurance & Compliance Manager
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors



COUNTY OF ORANGE INTERNAL AUDIT DEPARTMENT

2005 Recipient of the Institute of Internal Auditors'
Award for Recognition of Commitment to
Professional Excellence, Quality and Outreach

Integrity ♦ Objectivity ♦ Independence

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

MICHAEL J. GOODWIN
CPA, CIA
SENIOR AUDIT MANAGER

ALAN MARCUM
MBA, CPA, CIA, CFE
SENIOR AUDIT MANAGER

AUTUMN MCKINNEY
CPA, CIA, CGFM
SENIOR AUDIT MANAGER

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/

INTERNAL AUDITOR'S REPORT

FINAL CLOSE-OUT

Audit No. 2636-C

March 8, 2007

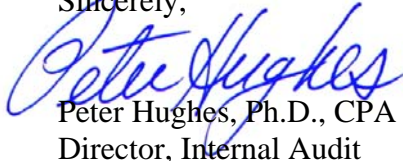
Alan L. Murphy, Director
John Wayne Airport
3160 Airway Avenue
Costa Mesa, CA 92626-4608

We have completed a first and Final Close-Out Follow-Up Audit of public works contract administration at the John Wayne Airport (JWA). Our audit was limited to reviewing actions taken as of March 6, 2007 to implement the recommendations made in our original audit report.

The original audit report contained twenty-six (26) recommendations pertaining to contract administration processes for Public Works Contracts over \$75,000 in the areas of bidding, project administration/monitoring, change orders and pay requests; and for Delivery Order Contracts in the areas of plans and specifications development, bidding, job administration/monitoring and pay requests.

We found that JWA was very committed and responsive in implementing our recommendations. **We are pleased to report that satisfactory corrective action has been taken for all twenty-six recommendations.** As such, this report represents the final close-out of the original audit. We appreciate the cooperation and assistance extended to us by your staff during our Follow-Up Audit.

Sincerely,


Peter Hughes, Ph.D., CPA
Director, Internal Audit

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Loan Leblow, Assistant Airport Director
Larry Serafini, Deputy Airport Director/Facilities
Glenn Owens, Manager, Airport Development
Scott Suzuki, Quality Assurance & Compliance Manager
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors