

# Internal Audit Department

O R A N G E C O U N T Y

**FINAL CLOSE-OUT**

## FIRST FOLLOW-UP AUDIT:

### REVIEW OF LEASE REVENUE NEWPORT BEACH GOLF COURSE ORIGINAL AUDIT No. 2649

AS OF APRIL 30, 2008

The original audit report contained six (6) recommendations. Our Follow-Up Audit indicated that John Wayne Airport satisfactorily implemented all six recommendations. During the original audit, Newport Beach Golf Course generated approximately \$4.2 million in gross receipts and paid the County approximately \$171,000 in rent (for the calendar year 2006).

AUDIT NO: 2741-C  
REPORT DATE: JUNE 16, 2008

Audit Director: Peter Hughes, Ph.D., MBA, CPA  
Deputy Director: Eli Littner, CPA, CIA  
Sr. Audit Manager: Autumn McKinney, CPA, CIA  
Senior Internal Auditor: Susan Nestor, CPA, CIA



**Internal Audit Department**

Serving the OC Board of Supervisors since 1995

*2005 Recipient of the Institute of Internal Auditor's  
Award for Recognition of Commitment to  
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**Internal Audit Department**

*Providing Facts and Perspectives Countywide*

**Dr. Peter Hughes** Ph.D., MBA, CPA, CCEP, CITP, CIA, CFE  
Office of The Director Certified Compliance & Ethics Professional (CCEP)  
Certified Information Technology Professional (CITP)  
Certified Internal Auditor (CIA)  
Certified Fraud Examiner (CFE)  
E-mail: peter.hughes@iad.ocgov.com

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**Eli Littner** CPA, CIA, CFE, CFS, CISA  
Deputy Director Certified Fraud Specialist (CFS)  
Certified Information Systems Auditor (CISA)

**Michael J. Goodwin** CPA, CIA  
Senior Audit Manager

**Alan Marcum** MBA, CPA, CIA, CFE  
Senior Audit Manager

**Autumn McKinney** CPA, CIA, CISA, CGFM  
Senior Audit Manager Certified Government Financial Manager (CGFM)

**Hall of Finance & Records**

12 Civic Center Plaza, Room 232  
Santa Ana, CA 92701

Phone: (714) 834-5475

Fax: (714) 834-2880

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**OC Fraud Hotline (714) 834-3608**



## Transmittal Letter



**AUDIT NO. 2741-C    JUNE 16, 2008**

**TO:** Alan L. Murphy, Director  
John Wayne Airport

**FROM:** Dr. Peter Hughes, CPA, Director  
Internal Audit Department

**SUBJECT:** **First and Final Close-Out** Follow-Up  
Audit of Review of Lease Revenue  
Newport Beach Golf Course, Original  
Audit No. 2649, Issued October 4, 2007

We have completed a First and Final Follow-Up Audit of Lease Revenue Newport Beach Golf Course. Our audit was limited to reviewing, as of April 30, 2008, actions taken to implement six recommendations in our report dated October 4, 2007.

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 all six audit recommendations, **this report represents the close-out of the original audit.**

Each month I submit an **Audit Status Report** to the 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.

### ATTACHMENTS

Other recipients of this report listed on the Internal Auditor's Report on page 1.

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Lease Revenue Newport Beach Golf Course  
Original Audit No. 2649  
Audit No 2741-C*

As of April 30, 2008

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## INTERNAL AUDITOR'S REPORT

AUDIT No. 2741-C

JUNE 16, 2008

TO: Alan L. Murphy, Director  
John Wayne Airport

FROM: Dr. Peter Hughes, CPA, Director  
Internal Audit Department

A handwritten signature in blue ink that reads "Peter Hughes".

SUBJECT: **First and Final Close-Out** Follow-Up Audit of  
Review of Lease Revenue Newport Beach Golf Course  
Original Audit No. 2649, Issued October 4, 2007

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### Scope of Review

We have completed a First and Final Close-Out Follow-Up Audit of Lease Revenue Newport Beach Golf Course. Our audit was limited to reviewing actions taken as of April 30, 2008 to implement the six (6) recommendations made in our original audit report.

### Results

The original audit report contained six (6) recommendations. **We are pleased to report that all six (6) recommendations have been fully implemented within the timeframe expected by the Board of Supervisors.** As such, this report represents the final close-out of the original audit. We commend the JWA and Newport Beach Golf Course for their responsiveness and attentiveness in addressing the audit recommendations made in our original report.

We appreciate the cooperation and assistance extended to us by JWA/Business Development, JWA/Accounting Services, and JWA/Quality Assurance & Compliance during our Follow-Up Audit. If you have any questions, please contact me directly or Eli Littner, Deputy Director at 834-5899, or Autumn McKinney, Senior Audit Manager at 834-6106.

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

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Members, Audit Oversight Committee  
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Roy Freeman, Deputy Airport Director, JWA/Business Development  
David De Leon, Manager, JWA/Parking, Ground Transportation and  
Special Projects  
Barbara Swift, Real Property Agent, JWA/Parking, Ground  
Transportation and Special Projects



Distribution Pursuant to Audit Oversight Committee Procedure No. 1  
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