


**Office of
COUNTY AUDITOR-CONTROLLER
Contra Costa County
Martinez, California
February 19, 2009**

TO: Internal Operations Committee

FROM: Stephen J. Ybarra, Auditor-Controller
By: Joanne M. Bohren, CPA 

SUBJECT: Annual Report on the Financial Audits Program

The Board of Supervisor's directive of June 27, 2000, directed the Auditor-Controller to report to the Internal Operations Committee each December on the proposed schedule of financial audits for the following year. The attached Schedule of Recurring Audits provides the audit schedule for 2009, and summarizes the status of the audit projects that were scheduled for completion in 2008.

In 2008, the Internal Audit division completed twenty-four (24) scheduled audits and three (3) unscheduled audits. The scheduled audits not completed in 2008 either are in progress or rescheduled to begin this year. Schedules are attached showing the status of the 2008 scheduled audits as completed, in progress, or rescheduled.

The Chief Auditor and the Assistant Auditor-Controller performed a thorough review of existing recurring audit projects as well as searching for potential new projects that should be incorporated into our audit schedule. The audit schedule is composed of legally required audits (Treasury cash counts), new audits (East Contra Costa County Fire Protection District), areas of concern (Employment and Human Services Department), and reoccurring audits.

In addition to performing financial audits, the Internal Audit Division also is responsible for preparing the County's Comprehensive Annual Financial Report (CAFR) and providing assistance to other County departments and the County's external auditors. The CAFR process consumes approximately four months of staff time. The Internal Audit Division also is the chief coordinator of the "Single Audit" performed by the County's external auditors.

In addition to the internal audits our Office performs, the County's financial operations are subject to audit by a firm of independent external auditors, Caporicci & Larson. They are responsible for performing an annual audit of the County's general-purpose financial statements, the County's Redevelopment Agency, the Public Financing Authority, and the Public Facilities Corporation. Caporicci & Larson also perform an annual "Single Audit" of the County's federal financial-assistance program. Other independent auditors perform annual audits of the Contra Costa County Employees' Retirement Association, the County Housing Authority, state grant programs, and the FIRST 5 Contra Costa Children and Families' Commission.

Attachments

Department Project Description	Last Done Through	Prefd. Audit Cycle (yrs)	Scheduled For 2009	Audit Hours 2009
<u>Auditor-Controller</u>				
0105 Revolving/Cash Diff. Fund & Shortage Report (fiscal year)	06/08	1 (Law)	X	60
0112 Fund 8109	6/02	5	X	100
Info Systems General controls (A-C network)	NEW	3	X	150
Info Systems - Tax Division	NEW		X	300
Misc A-C duties (ie Petty Cash ICQ; Relief of Shortage; Increase/New Petty Cash; Recons)		1	X	60
<u>Treasurer-Tax Collector</u>				
0151 Treasury Cash & Investments - 1st qtr	3/08	1/4 (Law)	X	100
0151 Treasury Cash & Investments - 2nd qtr	5/08	1/4 (Law)	X	100
0151 Treasury Cash & Investments - 3rd qtr	8/08	1/4 (Law)	X	100
0151 Treasury Cash & Investments - 4th qtr	12/07	1/4 (Law)	X	100
0157 Ssecured Tax Collection	1/04	2	X	200
0172 Treasury Oversight Committee (calendar year)	12/07	1 (Law)	X	120
Requested App Review (09) - Info Sys-In House Collect	Requested		X	If time allows
<u>Purchasing</u>				
1493 Procurement Card Program - 3rd qtr	9/07	1/4 (CAO)	X	30
1493 Procurement Card Program - 4th qtr	12/07	1/4 (CAO)	X	30
1493 Procurement Card Program - 1st qtr	3/08	1/4 (CAO)	X	30
1493 Procurement Card Program - 2nd qtr	6/07	1/4 (CAO)	X	30
<u>General Services</u>				
0791 Craft inventories	6/06	3	X	100
0794 Custodial Supplies Inventory	6/06	3	X	55
1481 Central Services Inventory	6/06	3	X	120
1492 Operating and Capital Leases	12/04	3	X	240
<u>Clerk-Recorder</u>				
3551 General Departmental Audit	02/04	2		
<u>District Attorney</u>				
Info. System Ctrls. General & Application	New	2	X	150
<u>Public Defender</u>				
2431 General Departmental Audit (<i>started in 07, not complete</i>)	01/02	5	X	100
Info. System Ctrls. General & Application	New	5	X	150
<u>Sheriff-Coroner</u>				
2551 Escrow Fund	04/04	2	X	300
2553 Seized & Forfeited Property	04/01	5		
3002 Inmate Welfare Fund (<i>2 yr law repealed</i>)	6/05	2	X	25
3591 Coroner	01/01	5	X	100
Calif Law Enforce (CLET's)	NEW			
Info. System Ctrls. General & Application	NEW	2	X	Alternate
<u>Agriculture</u>				
3352 Info. System Ctrls. General & Application	1/03	4		
<u>Animal Services</u>				
Requested App Review (09) - Info Sys-Web Licensing	Requested		X	100

2009 SCHEDULED AUDITS

	Department Project Description	Last Done Through	Prefd. Audit Cycle (yrs)	Scheduled For 2009	Audit Hours 2009
<u>Health Services</u>					
5402	Hospital Timekeeping	04/04	2	X	100
5402	Hospital and Clinics (Collections)	4/04	2	X	100
4510	Conservatorships/Guardianships	04/05	2	X	250
	Conservatorships/Guardianships IS Assessment (2009 computer virus)	NEW		X	150
5406	Patients Trust & Valuables	6/03	4	X	50
5401	Year End Inventory Control	6/06	3	X	100
<u>Employment & Human Services</u>					
5001	General Departmental Audit	7/05	2	X	700
	In Home Supportive Services (IHSS)	NEW	3	X	175
<u>County Libraries</u>					
6201	General Departmental Audit	6/03	4	X	200
<u>Contra Costa Fire Protection District</u>					
	Fleet Parts and Fuel Inventories	New	3	X	100
<u>East Contra Costa FPD</u>					
	General Departmental Audit	New	4	X	150

EXHIBIT B

COMPLETED IN 2008

	Department Project Description	Audit Scheduled For 2008	Budgeted Audit Hours 2008	Completed 2008
	<u>Board of Supervisors</u>			
1104	District 4 General Department Audit (Including MACs)	X	40	COMPLETED
	<u>Auditor-Controller</u>			
0105	Revolving/Cash Diff. Fund & Shortage Report (fiscal year)	X	60	COMPLETED
	<u>Treasurer-Tax Collector</u>			
0151	Treasury Cash & Investments - 1st qtr	X	100	COMPLETED
0151	Treasury Cash & Investments - 2nd qtr	X	100	COMPLETED
0151	Treasury Cash & Investments - 3rd qtr	X	100	COMPLETED
0151	Treasury Cash & Investments - 4th qtr (2007)	X	100	COMPLETED
0158	Partial Payments Trust (8313)	X	50	COMPLETED
0154	Supplemental Tax Collection	X	150	COMPLETED
0159	Unsecured Tax Collection	X	200	COMPLETED
0172	Treasury Oversight Committee (calendar year)	X	120	COMPLETED
0173	Transient Occupancy Tax	X	120	COMPLETED
	<u>Purchasing</u>			
1493	Procurement Card Program - 3rd qtr	X	30	COMPLETED
1493	Procurement Card Program - 4th qtr	X	30	COMPLETED
1493	Procurement Card Program - 1st qtr	X	30	COMPLETED
1493	Procurement Card Program - 2nd qtr	X	30	COMPLETED
	<u>Department of Information Technology</u>			
0147	General Department Audit	X	100	COMPLETED
	<u>General Services</u>			
0632	Vehicle Inventory	X	150	COMPLETED
1494	Information Systems Ctrls. General & Application	X	150	COMPLETED
	<u>Sheriff-Coroner</u>			
2555	Sheriff Training Center	X	200	COMPLETED
2554	Requested Audit Cal-Id	X	60	COMPLETED
2560	Blackhawk Traffic Study (CSA P2 Zone A)	Added		COMPLETED
	<u>Probation</u>			
3081	General Departmental Audit	X	200	COMPLETED
	<u>County Libraries</u>			
6209	Information Systems Ctrls. General & Application	X	150	COMPLETED
	<u>Public Works</u>			
	<i>Sunset Aviation (Gross Receipts Rent)</i>	X	60	COMPLETED
	<u>Veterans Affairs</u>			
0581	Information Systems Ctrls. General & Application	X	200	COMPLETED
	<u>Contra Costa Fire Protection District</u>			
	Special Project Requested	Added		COMPLETED
	<u>All Departments</u>			
0002	Special Audit - Gift Cards (internal documentation of controls)	Added		COMPLETED

**PROJECTS SHCEDULED FOR 2008
NOT COMPLETED ENTERING 2009**

**Department
Project Description**

Status**Audits in Progress:****Auditor-Controller**

Info Systems General controls (A-C network)

In Progress

Under way

Clerk-Recorder

3551 General Departmental Audit

In Progress

Report prepared/corrections in progress

Sheriff-Coroner

2553 Seized & Forfeited Property

In Progress

Report writing in progress

3002 Inmate Welfare Fund (*2 yr law repealed*)**In Progress**

Report/workpapers in for review

Agriculture

3352 Info. System Ctrls. General & Application

In Progress

Final stages of field work

Rescheduled Audits:**District Attorney**

Info. System Ctrls. General & Application

Reschedule

Relocation of office in 2008

Public Defender2431 General Departmental Audit (*started in 07, not complete*)**Reschedule**

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Sheriff-Coroner

2551 Escrow Fund (aka Sheriff's Civil)

Reschedule

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Health Services

5402 Hospital Timekeeping

Reschedule

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4510 Conservatorships/Guardianships

Reschedule

Relocation of office in 2008

5401 Year End Inventory Control

Reschedule

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Contra Costa Fire Protection District

Fleet Parts and Fuel Inventories

Reschedule

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** Audits performed took longer than anticipated due to training of new staff. Also, special requests for audits were received and those audits were prioritized ahead of the originally scheduled audits for 2008.