

## PETER HUGHES, Ph.D., CPA, CIA, CFE Director

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#### INTERNAL AUDIT DEPARTMENT

File No. 2103

November 29, 2001

TO: David E. Sundstrom

Auditor-Controller

Attention: John Nakane, Chief of Agency and Support Accounting

SUBJECT: Report on Agreed-upon Procedures applied to the

Statement of Assets Held by the County Treasury

Attached is a copy of our Report on Agreed-upon Procedures applied to the Statement of Assets Held by the County Treasury for the period as of September 30, 2001 (Audit No. 2103).

Respectfully submitted,

Peter Hughes Director

/PH:cg

Attachment

#### Other recipients of this audit report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Dr. Michael Schumacher, County Executive Officer
Foreman, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors
John M.W. Moorlach, Treasurer-Tax Collector
Richard G. Hilde, Assistant Treasurer
Paul Gorman, Treasurer Accounting/Compliance Manager



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#### INTERNAL AUDIT DEPARTMENT

November 29, 2001

# 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 accompanying Statement of Assets Held by the County Treasury at September 30, 2001 (Statement), in accordance with Government Code Sections 26920(a), and 26921 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 the last business day of the month (September 28, 2001) and agree to the Treasurer's Detail Transaction Report.

Finding:

We found no exceptions as a result of the procedure.

David E. Sundstrom November 29, 2001

2. We will independently confirm bank balances in the County Treasury for all bank accounts open at September 30, 2001 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 at September 30, 2001 and determine if reconciling items above our calculated materiality are adequately supported and whether adjustments to the Statement are required.

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 September 30, 2001 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 at September 30, 2001 and determine if reconciling items are adequately supported and whether adjustments to the Statement are required.

Finding:

We found no exceptions as a result of the procedure.

6. We will review reconciliations of Treasurer's cash and investments at September 30, 2001 to Auditor-Controller General Ledger's reports and determine if reconciling items above our calculated materiality are adequately supported and whether adjustments to the Statement are required.

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 United States generally accepted accounting principles. Receipts are recognized when received by the Treasurer, disbursements are recognized when paid by the bank. 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.

David E. Sundstrom November 29, 2001

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 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,

Peter Hughes, CPA Director



## STATEMENT OF ASSETS HELD BY THE COUNTY TREASURY SEPTEMBER 30, 2001

#### **ASSETS**

	County Pool	Educational Pool	Non- Pooled	Total
CASH Cash in Banks	\$ 16,881,278	\$ 2,149,710	\$ 19,600,466	\$ 38,631,454
Cash on Hand	24,196	Σ,110,710	Ψ 10,000,100	24,196
Total Cash	16,905,474	2,149,710	19,600,466	38,655,650
INVESTMENTS, stated at cost (Note 1) Orange County Investment Pool: Money Market Fund	1,699,081,090			1,699,081,090
Extended Fund	510,857,895			510,857,895
Orange County Educational Pool Non-pooled		1,250,662,339	113,505,330	1,250,662,339 113,505,330
Total Investments	2,209,938,985	1,250,662,339	113,505,330	3,574,106,654
TOTAL ASSETS	\$ 2,226,844,459	\$ 1,252,812,049	\$ 133,105,796	\$ 3,612,762,304

Note 1 - Investments include \$1,057,121 of accrued interest at date of purchase.

John M. W. Moorlach, C.P.A., CFP<sup>™</sup>
Treasurer-Tax Collector