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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 CREATIVE CROISSANTS ORIGINAL AUDIT NO. 2735

AS OF JANUARY 9, 2009

Our Follow-Up Audit found that John Wayne Airport satisfactorily implemented the one (1) recommendation from our original audit report. During the original audit, Creative Croissants reported approximately $1.4 million in gross receipts and paid rent to the County of approximately $359,000.

AUDIT NO: 2840-A
REPORT DATE: JANUARY 16, 2009

Audit Director: Peter Hughes, Ph.D., MBA, CPA
Deputy Director: Eli Littner, CPA, CIA
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Transmittal Letter

Audit No. 2840-A **January 16, 2009**

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 Creative Croissants, Original Audit No. 2735, Issued June 24, 2008

We have completed a First and Final Close-Out Follow-Up Audit of Lease Revenue Creative Croissants. Our audit was limited to reviewing, as of January 9, 2009, actions taken to implement the one recommendation in our original report dated June 24, 2008.

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 recommendation, **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 2.

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First and Final Close-Out Follow-Up Audit of Review of Lease Revenue Creative Croissants Original Audit No. 2735 Audit No. 2840-A

As of January 9, 2009

OC Internal Audit Report

INTERNAL AUDITOR'S REPORT

AUDIT NO. 2840-A **JANUARY 16, 2009**

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 Creative Croissants,
Original Audit No. 2735, Issued June 24, 2008

Scope of Review

We have completed a First and Final Close-Out Follow-Up Audit of Review of Lease Revenue Creative Croissants. Our audit was limited to reviewing actions taken as of January 9, 2009 to implement the one (1) recommendation made in our original audit report.

Background

The original audit reviewed whether Creative Croissants' records adequately supported their monthly gross receipts reported to the County. During the original audit, Creative Croissants generated approximately $1.4 million in gross receipts and paid approximately $359,000 in rent to the County. The original audit identified one (1) recommendation related to customer refund supporting documentation.

Results

Our Follow-Up Audit indicated that John Wayne Airport (JWA) and Creative Croissants took satisfactory corrective action to fully implement the recommendation. As such, this report represents the **final close-out** of the original audit. Following is the implementation status of the one original recommendation:

1. **Supporting Documentation for Refunds**
   Recommendation: JWA require Creative Croissants to maintain adequate supporting documentation for customer refunds.

   Current Status: **Implemented.** Our review of documentation provided by JWA found that Creative Croissants is maintaining adequate supporting documentation for customer refunds.

We appreciate the cooperation and assistance extended to us by 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
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