

Internal Audit Department

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

FINAL CLOSE-OUT

FIRST FOLLOW-UP AUDIT:

LIMITED REVIEW OF LEASE REVENUE FOR THE HERTZ CORPORATION ORIGINAL AUDIT No. 2643

AS OF APRIL 30, 2008

The original audit report contained eight (8) recommendations. Our Follow-Up Audit indicated that John Wayne Airport satisfactorily implemented all eight recommendations. During the original 12-month audit period, Hertz generated approximately \$40.3 million in gross receipts and paid the County over \$4 million in rent.

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

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**Internal Audit Department**

Serving the OC Board of Supervisors since 1995

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Internal Audit Department

Providing Facts and Perspectives Countywide

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OC Internal Audit Department, visit our website: www.ocgov.com/audit



OC Fraud Hotline (714) 834-3608

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Transmittal Letter



AUDIT NO. 2741-A 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 Limited Review of Lease
Revenue for The Hertz Corporation,
Original Audit No. 2643,
Issued August 20, 2007

We have completed a First and Final Follow-Up Audit of Limited Review of Lease Revenue for The Hertz Corporation. Our audit was limited to reviewing, as of April 30, 2008, actions taken to implement eight recommendations in our report dated August 20, 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 eight 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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Limited Review of Lease Revenue for The Hertz Corporation
Audit No 2741-A
Original Audit No. 2643*

As of April 30, 2008

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INTERNAL AUDITOR'S REPORT

AUDIT No. 2741-A

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, reading "Peter Hughes", is placed next to the "FROM:" line.

SUBJECT: **First and Final Close-Out** Follow-Up Audit of
Limited Review of Lease Revenue for
The Hertz Corporation, Original Audit No. 2643,
Issued August 20, 2007

Scope of Review

We have completed a First and Final Close-Out Follow-Up Audit of Limited Review of Lease Revenue for The Hertz Corporation (Hertz). Our audit was limited to reviewing actions taken as of April 30, 2008 to implement the eight (8) recommendations made in our original audit report.

Results

The original audit report contained eight (8) recommendations. **We are pleased to report that all eight (8) 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 JWA and Hertz 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:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Loan Leblow, Assistant Airport Director
Roy Freeman, Deputy Airport Director, JWA/Business Development
David De Leon, Manager, JWA/Parking, Ground Transportation and
Special Projects



Distribution Pursuant to Audit Oversight Committee Procedure No. 1
(Continued):

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