



OC Board of Supervisors' Internal Audit Department

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

AUDIT HIGHLIGHT

AUGUST 25, 2009

INTERNAL AUDITOR'S REPORT TO THE BOARD OF SUPERVISORS

REVENUE GENERATING LEASE AUDIT: JOHN WAYNE AIRPORT JCDECAUX AIRPORT, INC. Audit No. 2834

WHAT WE FOUND?

We found that JCDecaux Airport, Inc. records adequately supported gross receipts of approximately **\$2.8 million** and rent of approximately **\$1.7 million** was properly paid to the County in accordance with the lease agreement. However, we found additional rent was owed to the County.

We identified two (2) **Control Findings** where additional rent of **\$25,220** is owed. John Wayne Airport agreed with two (2) findings and recommendations and is working with JCDecaux Airport, Inc. to implement corrective actions.

WHY IS THIS AUDIT IMPORTANT?

Over the five (5) year term, this lease agreement is estimated to generate approximately **\$7 million** in rent to the County. Rent is paid to the County based on a percentage of gross receipts. We audit the underlying books and records to ensure gross receipts are complete and proper rent is paid as defined by the lease agreement. During the audit period of March 1, 2008 through February 28, 2009, JCDecaux Airport, Inc. reported approximately \$2.8 million in gross receipts and paid the County approximately \$1.7 million in rent.

BACKGROUND INFORMATION (SEE COMPLETE AUDIT REPORT FOR DETAIL)

The County of Orange entered into a lease agreement with JCDecaux Airport, Inc., dated November 1, 2004, for the operation and management of an advertising program at the John Wayne Airport Terminal.

To access and view audit reports or obtain additional information about the OC Internal Audit Department, visit our website:
www.ocgov.com/audit

For more information, please contact Dr. Peter Hughes, CPA, County Internal Auditor for the Internal Audit Department at
(714) 834-5475 or peter.hughes@iad.ocgov.com