

# ABOUT ORANGE COUNTY'S Director of Internal Audit AICPA'S 2010 OUTSTANDING CPA OF THE YEAR Dr. Peter Hughes, CPA, CIA, CFE

MBA, CFF, CITP, CCEP, CGMA

Serving as the Orange County Board of Supervisors'
Internal Auditor Since 1999
"Helping Ensure Governmental Accountability, Efficiency and Integrity"

#### **Major Awards**

\*AICPA's 2010 CPA of the Year -Outstanding CPA in Local Government

\* 2010 MVP for Risk Management by Governance Risk and Compliance Group

\*2009 Most Popular Article of the Year by Association of Certified Fraud for article titled

"Ethics Pays in So Many Ways"

\*2005 One of the Most Outstanding Internal Audit Departments- Institute of Internal Auditors

Dr. Peter Hughes, CPA was appointed Director of Internal Audit by the Orange County Board of Supervisors in July of 1999, to establish a world class, Risk Based Internal Audit Department, maintain the Countywide Fraud Hotline and serve as the County's audit liaison for all governmental audits. Orange County is the sixth largest county in the USA, with a \$6 billion annual budget and 22 departments that would rank the County in the Fortune 500 due to its size. He was also the 2012 President of the California Counties Chief Auditors Association comprised of 58 Counties.

Dr. Peter Hughes' expertise and success in promoting and advancing business ethics and cost efficient and effective governmental services has been recognized by six separate international organizations.

- Dr. Hughes received recognition as the "1993 Outstanding Contributor" from the Association of College and University Auditor for establishing the Audit Quality Assurance and Peer Review Program and for authoring the ACUA Quality Assurance Manual.
- 2. Dr. Hughes' Internal Audit Department selected as "One of the Most Outstanding Internal Audit Departments" in either the public or private sectors in 2005 as a recipient of the Institute of Internal Auditors Recognition of Commitment to Professional Excellence, Quality Service and Outreach Award.
- **3.** Dr. Hughes' departmental web page received the **2007 Bronze Medal** for is utility and transparency from the international **Association of Local Governmental Auditors (ALGA)**.
- 4. Dr. Hughes was awarded the prestigious 2009 Hubbard Award for the "Most Popular Article of the Year for 2009" by the internationally recognized Association of Certified Fraud Examiners for his article Ethics Pays in So Many Ways published in the July/August 2008 Fraud Magazine.
  - Dr. Hughes coauthored this popular article with Drs. Kadonis and Anderson as the first article in a major publication that demonstrated through the citation of over twenty surveys and studies that business ethics increases the profitability of any company by giving it a competitive cost advantage in recruiting, retaining staff, and by attracting and retaining customers and stockholders.
- 5. Dr. Hughes was voted to be the "CPA of the Year 2010" by the American Institute of Certified Public Accountants (AICPA) as the 2010 AICPA's Outstanding CPA in Local Government (there are over 3000 counties and 15,000 cities in the USA). This award was presented to Dr. Hughes at the AICPA National Governmental Conference in Washington D.C. in August by the AICPA Chairman for his outstanding leadership in advancing sound business controls and cost effective business processes in county government.

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6. Dr. Hughes was chosen as the 2010 MVP in Risk Management by the international Government, Risk and Compliance Group for demonstrating exemplary leadership in ERM risk management and IS/IT risk management.

Dr. Hughes also serves as one of only 12 ambassador/committee members on the AICPA National Government Performance and Accountability Committee, just retired after 5 years of service from the Board of Research and Education Advisory Committee for the Institute of Internal Auditors (IIA) and currently serves on the Editorial Board of Advisors for the Association of Certified Fraud Examiners (ACFE). Dr. Hughes has also been awarded three Visiting Scholar Fellowships from the University of Wollongong in Australia to present at its international "Thought Leadership Symposiums" the results of his expertise on "Stopping and Spotting Fraud", governmental audits, IIA and AICPA auditing standards and quality assurance programs, and his research and professional experience on business ethics and effective governance.

Dr. Hughes is a 2008 graduate of the highly selective *UCLA Anderson Graduate School of Management's Corporate Board of Directors Oversight Program* that qualifies him to serve as a board member on both a corporate or governmental entity. He also possesses a Ph.D., from Oregon State University focusing on Public Administration, an MBA with an emphasis in Statistics from the University of California, Riverside, and a BA in Ethics and Moral Philosophy from Pomona College in Claremont, California. Additionally, he is a Certified Public Accountant, Certified Internal Auditor, Certified Corporate Compliance and Ethics Professional, an AICPA Certified Information Technology Professional, a Certified Financial Forensic expert, a AICPA Chartered Global Management Accountant, an Institute of Internal Auditors' Accredited Peer Reviewer, and a Certified Fraud Examiner.

Along with his County internal auditing experience, Dr. Hughes has served as the Director of Internal Audit for three world-class organizations including the California Institute of Technology (Caltech), NASA's Jet Propulsion Laboratory (JPL) and the Oregon University System of Higher Education. Additionally, *Dr. Hughes served as Acting Controller for Caltech and was a divisional Director of General Accounting and Finance for a major subsidiary of Columbia Broadcasting System (CBS).* He also worked for Arthur Andersen in Los Angeles and was a professor of accounting at California State Polytechnic University at San Luis Obispo.

Dr. Hughes is recognized as a leading authority in stopping and spotting fraud, SOX compliance, hotlines and ethics programs and played a pivotal role in establishing Anti-Fraud Programs, Ethics Committees and Hotlines at NASA's Jet Propulsion Lab, Oregon University System and Orange County. Over the course of his 35 year career Dr. Hughes has either personally conducted or directly supervised over 1000 investigations into allegations of waste, fraud, and abuse with several investigations leading to criminal prosecutions and convictions. He is a strong advocate of the adage "an ounce of prevention is worth a pound of cure" and has lectured widely on the benefits of effective educational and monitoring programs to reduce fraud.

Dr. Hughes is recognized as a leading authority in improving the cost effectiveness and efficiencies of local governmental entities having designed and conducted over 100 Control Self Assessment and *Process Improvement* workshops involving 1500 participations that identified and implemented over 2000 improvements in Orange County's business processes. Dr. Hughes' use of *Creative Thinking techniques* in combination with his business sense and humor made these workshops among the most popular in recent County history.

Dr. Hughes has led his internal audit department successfully through four IIA, GAO Yellow Book (GAGAS) and AICPA Peer Reviews and has developed the department into a world class audit function, having started with 4 CPA's, he now has 13 auditors possessing a CPA and 10 out of 13 possessing a Certified Internal Auditor certification; a standard of excellence no other comparably sized county or city has achieved.

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Dr. Hughes is a noted speaker at international conferences and is an Adjunct Professor of Accounting at California State University at Fullerton's Department of Accounting where he teaches an advance course in Internal Auditing and Risk Assessment. He also conducts training for the California State Society of CPAs (CalCPA) as one of their Continuing Professional Education Faculty members on the subject of Fraud and has developed a very popular course titled, How to Spot and Stop Fraud in the Governmental and Corporate Sectors.