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INTERNAL AUDIT DEPARTMENT

Audit No. 2216

July 25, 2002

TO: Janice V. Goss, Director
Integrated Waste Management Department

SUBJECT: Secondary Follow-Up of Department Control Review of IMWD Cash Receipts

We have completed a secondary follow-up examination of Integrated Waste Management Department's (IWMD) cash receipting process. Our examination was limited to a review as of July 2, 2002, of IWMD's planned actions stated in our initial follow-up audit report dated June 21, 2001. These planned actions stemmed from our original audit report dated August 8, 2000.

The initial follow-up audit contained eight report items with associated recommendations. We are pleased to report that the recommendations are now fully implemented with the exception of certain issues concerning the landfill fee booths as discussed below.

Recommendations were made in our original audit and initial follow-up review concerning no alarm on the fee booth at the Prima Deshecha landfill and a broken gate for the bypass lane at the Olinda Alpha landfill. We were informed there are still plans to construct a new fee booth at Prima Deshecha that will include an alarm system. The broken bypass lane gate appears to be a recurring issue and we were told it would be repaired. Since these landfill physical structure issues are not directly related to the cash receipting process and are dependent on factors such as management directive and available budget, we will pass further review on these issues.

We appreciate the assistance extended to us by the staff of IWMD and IWMD Accounting Services.

Sincerely,

A handwritten signature in cursive script that reads "Peter Hughes".

Dr. Peter Hughes, CPA
Director, Internal Audit Department

cc: David E. Sundstrom, Auditor-Controller
Esperanza Garcia, Manager, IWMD Accounting Services