



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

*Integrity
Objectivity
Independence*

**FOLLOW-UP AUDIT
OF LIMITED REVIEW OF RESOURCES &
DEVELOPMENT MANAGEMENT DEPARTMENT
PURCHASED UTILITIES AND CHILLED WATER
& STEAM BILLING PROCESSES,
ORIGINAL AUDIT No. 2430**

AS OF JUNE 30, 2005

AUDIT NUMBER: 2532

REPORT DATE: JULY 28, 2005

Audit Director:	Peter Hughes, Ph.D., CPA
Deputy Director:	Eli Littner, CPA, CIA
Audit Manager:	Michael Goodwin, CPA, CIA
Senior Auditor:	Winnie Keung, CPA

**Follow-Up Audit of Limited Review of
Resources & Development Management Department
Purchased Utilities and Chilled Water & Steam Billing Processes,
Original Audit No. 2430**

As of June 30, 2005

TABLE OF CONTENTS

Transmittal Letter.....	i
INTERNAL AUDITOR'S REPORT.....	1



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT

Integrity ♦ Objectivity ♦ Independence

ELI LITTNER
CPA, CIA, CFE, CFS CISA
DEPUTY DIRECTOR

MICHAEL J. GOODWIN
CPA, CIA
AUDIT MANAGER

ALAN MARCUM
MBA, CPA, CIA, CFE
AUDIT MANAGER

AUTUMN MCKINNEY
CPA, CIA, CGFM
AUDIT MANAGER

Office of the Director
PETER HUGHES
Ph.D., MBA, CPA, CIA, CFE, CITP

MAILING ADDRESS:
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CALIFORNIA 92701


TELEPHONE: (714) 834-5475
FAX: (714) 834-2880
EMAIL: peter.hughes@ocgov.com
WEBSITE: www.ocgov.com/audit/

Transmittal Letter

Audit No. 2532

July 28, 2005

TO: Bryan Speegle, Director
Resources & Development Management Department

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department 

SUBJECT: Follow-Up Audit of Limited Review of Resources & Development Management
Department Purchased Utilities and Chilled Water & Steam Billing Processes,
Original Audit No. 2430, Issued September 16, 2004

We have completed a follow-up audit of our limited review of Resources & Development Management Department purchased utilities and chilled water & steam billing processes. Our audit was limited to reviewing, as of June 30, 2005, actions taken to implement the recommendations made in our original audit report dated September 16, 2004. The results of our follow-up audit are discussed in the **Internal Auditor's Report** following this transmittal letter.

As the Director of the Internal Audit Department, effective December 14, 2004, I now make a monthly audit status presentation to the Board of Supervisors (BOS) where I detail any material and significant audit findings released in reports during the prior month, the implementation status of audit recommendations as disclosed by our follow-up audits, any pressing audit or resource issues; as well as, respond to inquiries from the BOS. Therefore, the results of this follow-up audit will be included in a future summary to the Board.

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Vicki Wilson, Deputy County Executive Officer
Steve Danley, Director, Administration, RDMD
Bob Wilson, Director, Internal Services, RDMD
Michael McMillan, Chief, Purchasing & Contracts, RDMD
Brian Murphy, Chief, Central Quality Assurance, RDMD
Foreman, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT

Integrity ♦ Objectivity ♦ Independence

ELI LITTNER
CPA, CIA, CFE, CFS CISA
DEPUTY DIRECTOR

MICHAEL J. GOODWIN
CPA, CIA
AUDIT MANAGER

ALAN MARCUM
MBA, CPA, CIA, CFE
AUDIT MANAGER

AUTUMN MCKINNEY
CPA, CIA, CGFM
AUDIT MANAGER

Office of the Director
PETER HUGHES
Ph.D., MBA, CPA, CIA, CFE, CITP

MAILING ADDRESS:
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CALIFORNIA 92701

TELEPHONE: (714) 834-5475
FAX: (714) 834-2880
EMAIL: peter.hughes@ocgov.com
WEBSITE: www.ocgov.com/audit/

INTERNAL AUDITOR'S REPORT

Audit No. 2532

July 28, 2005

Bryan Speegle, Director
Resources & Development Management Department
300 N. Flower Street
Santa Ana, CA 92703

We have completed a follow-up audit of our limited review of the Resources & Development Management Department (RDMD) purchased utilities and chilled water & steam billing processes. Our audit was limited to reviewing actions taken as of June 30, 2005 to implement the recommendations made in our original audit report dated September 16, 2004.

The original audit report contained five (5) recommendations. We are pleased to report that all five recommendations have been fully implemented. We commend RDMD 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 your staff during our follow-up audit.

Sincerely,

Peter Hughes, Ph.D., CPA
Director, Internal Audit

cc: Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Vicki Wilson, Deputy County Executive Officer
Steve Danley, Director, Administration, RDMD
Bob Wilson, Director, Internal Services, RDMD
Michael McMillan, Chief, Purchasing & Contracts, RDMD
Brian Murphy, Chief, Central Quality Assurance, RDMD
Foreman, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors