



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

*Integrity
Objectivity
Independence*

FINAL CLOSE-OUT

**SECOND FOLLOW-UP AUDIT
OF DEPARTMENT CONTROL REVIEW
CHILD SUPPORT SERVICES
CASH RECEIPTS, TRUST/DEPARTMENTAL
FUNDS AND REVOLVING FUNDS,
ORIGINAL AUDIT No. 2330**

AS OF SEPTEMBER 30, 2005

AUDIT NUMBER: 2533

REPORT DATE: October 26, 2005

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

Final Close-Out

**Second Follow-Up Audit of Department Control Review of
Child Support Services Cash Receipts,
Trust/Departmental Funds and Revolving Funds,
Original Audit No. 2330**

As of September 30, 2005

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Transmittal Letter

Audit No. 2533

October 26, 2005

TO: Jan Sturla, Director
Child Support Services

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

SUBJECT: **Second and Final Close-Out Follow-Up Audit** of Department Control Review –
Child Support Services Cash Receipts, Trust/Departmental Funds and Revolving
Funds, Original Audit Report No. 2330, Issued November 21, 2003

We have completed a second and Final Close-Out Follow-Up Audit of internal controls over Child Support Services cash receipts, trust/departmental funds and revolving funds. Our audit was limited to reviewing, as of September 30, 2005, actions taken to implement the two remaining recommendations in our initial Follow-Up Audit report dated March 31, 2005. The recommendations stemmed from our original audit report dated November 21, 2003. The results of our second Follow-Up Audit are discussed in the **Internal Auditor's Report** following this transmittal letter. Because satisfactory corrective action has been taken for the two remaining recommendations, this report represents the close-out of the original audit.

As the Director of the Internal Audit Department, 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 BOS.

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Steve Eldred, Chief Deputy Director, CSS/Operations, Program and Information Tech.
Winnie Hewett, Deputy Director, CSS/Administration
Jim Gorzo, Administrative Manager, CSS/Accounting
Foreman, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors



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INTERNAL AUDITOR'S REPORT
FINAL CLOSE-OUT

Audit No. 2533

October 26, 2005

Jan Sturla, Director
Child Support Services
1055 N. Main Street
Santa Ana, CA 92701

We have completed a second and Final Close-Out Follow-Up Audit of internal controls over Child Support Services (CSS) cash receipts, trust/departmental funds and revolving funds. Our audit was limited to reviewing actions taken as of September 30, 2005 to implement the recommendations made in our original audit report dated November 21, 2003 and in our initial Follow-Up Audit report dated March 31, 2005.

The initial Follow-Up Audit report contained two (2) recommendations pertaining to timely notification of employee status changes affecting the ARS information system, and a physical safeguarding issue to ensure a management review of proper access levels for CSS employees.

We are pleased to report that satisfactory corrective action has been taken for both recommendations. As such, this report represents the final close-out of the original audit. We appreciate the cooperation and assistance extended to us by your staff during our second Follow-Up Audit.

Sincerely,

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

Distribution Pursuant to Audit Oversight Committee Procedure No. 1

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Steve Eldred, Chief Deputy Director, CSS/Operations, Program and Information Tech.
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