



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

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FINAL CLOSE-OUT

**THIRD FOLLOW-UP AUDIT
OF
SOCIAL SERVICES AGENCY**

**TRUST AND AGENCY FUNDS
(ORIGINAL AUDIT NO. 2135)**

As of July 31, 2006

AUDIT NUMBER: 2637-A

REPORT DATE: AUGUST 24, 2006

| | |
|-------------------------|----------------------------------|
| Audit Director: | Peter Hughes, Ph.D., CPA |
| Deputy Director: | Eli Littner, CPA, CIA |
| Audit Manager: | Michael Goodwin, CPA, CIA |
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Final Close-Out

**Third Follow-Up Audit of
Social Services Agency Trust and Agency Funds
Original Audit No. 2135**

As of July 31, 2006

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Transmittal Letter

Audit No. 2637-A

August 24, 2006

TO: Ingrid Harita, Director
Social Services Agency

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

SUBJECT: **Third and Final Close-Out Follow-Up Audit** of Social Services Agency
Trust and Agency Funds, Original Audit No. 2135

We have completed a third Follow-Up Audit of trust and agency funds in the Social Services Agency. Our audit was limited to reviewing, as of July 31, 2006, actions taken to implement the remaining three recommendations in our second Follow-Up Audit report dated November 22, 2005. The recommendations stemmed from our original audit report dated March 20, 2002. The results of our third Follow-Up Audit are discussed in the **Internal Auditor's Report** following this transmittal letter. Because satisfactory corrective action has been taken for the three remaining recommendations, this report represents the close-out of the original audit.

As the Director of the Internal Audit Department, I now submit a monthly audit status report to the Board of Supervisors (BOS) where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this Follow-Up Audit will be included in a future status report to the BOS.

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Jess Carbajal, Director of Agency Administration, SSA
David Sundstrom, Auditor-Controller
Shaun Skelly, Chief Assistant Auditor-Controller
Bill Castro, Assistant Auditor-Controller, Satellite Accounting Operations
Espí Garcia, Senior Manager, SSA Accounting Services
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors



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INTERNAL AUDITOR'S REPORT
FINAL CLOSE-OUT

Audit No. 2637-A

August 24, 2006

Ingrid Harita, Director
Social Services Agency
888 North Main Street
Santa Ana, CA 92701

We have completed a third and Final Close-Out Follow-Up Audit of trust and agency funds in the Social Services Agency. Our audit was limited to reviewing actions taken as of July 31, 2006 to implement the three remaining recommendations made in our second Follow-Up Audit report dated November 22, 2005.

The second Follow-Up Audit report contained three (3) recommendations pertaining to resolving unidentified monies in two trust funds (Child Support Collections, Case Data System Repayments) and to research and disburse monies timely in the Conserved Funds for Minors in Foster Care Placement trust fund.

We are pleased to report that satisfactory corrective action has been taken for the three 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 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
- Jess Carbajal, Director of Agency Administration, SSA
- David Sundstrom, Auditor-Controller
- Shaun Skelly, Chief Assistant Auditor-Controller
- Bill Castro, Assistant Auditor-Controller, Satellite Accounting Operations
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