



**INTERNAL AUDIT DEPARTMENT**  
**COUNTY OF ORANGE**

Recipient of the Institute of Internal Auditors  
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*Integrity ♦ Objectivity ♦ Independence*

***FINAL CLOSE-OUT***

**SECOND FOLLOW-UP AUDIT  
OF  
RESOURCES AND DEVELOPMENT  
MANAGEMENT DEPARTMENT**

**TRUST AND AGENCY FUND DISBURSEMENTS  
(ORIGINAL AUDIT NO. 2432)**

**As of October 20, 2006**

**AUDIT NUMBER: 2637-B**

**REPORT DATE: November 27, 2006**

<b>Audit Director:</b>	<b>Peter Hughes, Ph.D., CPA</b>
<b>Deputy Director:</b>	<b>Eli Littner, CPA, CIA</b>
<b>Audit Manager:</b>	<b>Michael Goodwin, CPA, CIA</b>
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***Final Close-Out***

**Second Follow-Up Audit of  
Resources and Development Management Department  
Trust and Agency Fund Disbursements  
Original Audit No. 2432**

**As of October 20, 2006**

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**Transmittal Letter**

Audit No. 2637-B

November 27, 2006

TO: Bryan Speegle, Director  
Resources and Development Management Department

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

SUBJECT: **Second and Final Close-Out Follow-Up Audit** of Resources and  
Development Management Department Trust and Agency Fund Disbursements  
Original Audit No. 2432

We have completed a second and Final Close-Out Follow-Up Audit of Resources and Development Management Department trust and agency fund disbursements. Our audit was limited to reviewing, as of October 20, 2006, actions taken to implement the five recommendations in our initial follow-up audit report dated April 25, 2006. The recommendations stemmed from our original audit report dated March 30, 2005 and initial follow-up audit report dated April 25, 2006. 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 five recommendations, this report represents the close-out of the original audit.

Each month I submit an **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 report to the BOS.

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Thomas G. Mauk, County Executive Officer
- Steve Danley, Director, RDMD/Administration
- Debra Lakin, Chief, RDMD/Central Quality Assurance
- Tony Bernard, Manager, RDMD/Purchasing & Contract Services
- Bill Castro, Assistant Auditor-Controller/Satellite Accounting
- Mary Fitzgerald, Manager, RDMD/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-B

November 27, 2006

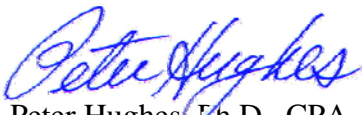
Bryan Speegle, Director  
Resources and Development Management Department  
300 N. Flower Street  
Santa Ana, CA 92703

We have completed a second and Final Close-Out Follow-Up Audit of trust and agency fund disbursements in the Resources and Development Management Department. Our audit was limited to reviewing actions taken as of October 20, 2006 to implement the recommendations made in our original audit and initial Follow-Up Audit reports.

The initial Follow-Up Audit report contained five (5) recommendations pertaining to negotiable instruments held as refundable deposits and reconciliations of the negotiable instruments.

**We are pleased to report that satisfactory corrective action has been taken for the five 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  
Steve Danley, Director, RDMD/Administration  
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