



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

Recipient of the Institute of Internal Auditors
Award for Excellence

Integrity ♦ Objectivity ♦ Independence

FINAL CLOSE-OUT

**FOLLOW-UP AUDIT
OF
REVIEW OF BUDGETARY
CONTROLS**

**RESOURCES AND DEVELOPMENT
MANAGEMENT DEPARTMENT/
PLANNING AND DEVELOPMENT SERVICES
FUNCTION**

(ORIGINAL AUDIT NO. 2584)

AS OF MAY 31, 2006

AUDIT NUMBER: 2532

REPORT DATE: JUNE 28, 2006

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

**Follow-Up Audit of
Review of Budgetary Controls
Resources and Development Management Department/
Planning and Development Services Function
Original Audit No. 2584**

As of May 31, 2006

TABLE OF CONTENTS

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



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT
Recipient of the Institute of Internal Auditors
Award for Excellence

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
DR. 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

June 28, 2006

TO: Bryan Speegle, Director
Resources and Development Management Department

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

SUBJECT: **Final Close-Out** Follow-Up Audit of Review of Budgetary Controls
Resources and Development Management Department/Planning
and Development Services Function, Original Audit No. 2584

We have completed a Follow-Up Audit of Resources and Development Management Department/Planning and Development Services Function budgetary controls. Our audit was limited to reviewing, as of May 31, 2006, actions taken to implement the **two recommendations** made in our original audit report dated October 28, 2005. The results of our 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 recommendations, this report represents the close-out of the original audit.

As the Director of Internal Audit, 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 audit will be included in a future status report to the BOS.

We appreciate the cooperation and assistance extended to us during our Follow-Up Audit.

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Steve Dunivent, Manager, CEO/Budget Office
Steve Danley, Director, RDMD/Administration
Tim Neely, Director, RDMD/Planning & Development Services
Carlos Bustamante, Assistant Director, RDMD/Planning & Development Services
Greg Lepore, Manager, RDMD/Finance & Department Services
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT
Recipient of the Institute of Internal Auditors
Award for Excellence
Integrity ♦ Objectivity ♦ Independence

Office of the Director
DR. 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/

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

INTERNAL AUDITOR'S REPORT
FINAL CLOSE-OUT

Audit No. 2532

June 28, 2006

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

We have completed a Final Close-Out Follow-Up Audit of budgetary controls in the Resources and Development Management Department/Planning and Development Services Function (RDMD/PDS). Our Follow-Up Audit was limited to reviewing actions taken as of May 31, 2006, to implement the recommendations made in our original audit report dated October 28, 2005.

Our original audit reviewed the processes and controls in RDMD/PDS over the development and on-going monitoring of the annual budget with particular attention on Building & Safety Fund 113. The original audit report contained (2) two recommendations regarding the development of a fund reserve and a workforce contingency program reduction plan.

Based on our Follow-Up Audit, **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 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 Dunivent, Manager, CEO/Budget Office
Steve Danley, Director, RDMD/Administration
Tim Neely, Director, RDMD/Planning & Development Services
Carlos Bustamante, Assistant Director, RDMD/Planning & Development Services
Greg Lepore, Manager, RDMD/Finance & Department Services
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors