



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

Recipient of the Institute of Internal Auditors  
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***FINAL CLOSE-OUT***

**FOLLOW-UP AUDIT  
OF  
INTERNAL CONTROL REVIEW  
OF  
SOCIAL SERVICES AGENCY  
CONTRACT ADMINISTRATION &  
CASH DISBURSEMENTS  
(ORIGINAL AUDIT NO. 2531)**

**AS OF MAY 19, 2006**

**AUDIT NUMBER: 2532**

**REPORT DATE: JUNE 13, 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***

**Follow-Up Audit of  
Internal Control Review of Social Services Agency  
Contract Administration and Cash Disbursements Processes  
Original Audit No. 2531**

**As of May 19, 2006**

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**Transmittal Letter**

Audit No. 2532

June 13, 2006

TO: Ingrid Harita, Director  
Social Services Agency

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

SUBJECT: **Final Close-Out** Follow-Up Audit of Internal Control Review of  
Social Services Agency Contract Administration and  
Cash Disbursements Processes, Original Audit No. 2531

We have completed a Follow-Up Audit of Internal Control Review of Social Services Agency (SSA) Contract Administration and Cash Disbursements Processes. Our audit was limited to reviewing, as of May 19, 2006, actions taken to implement the nine recommendations made in our original audit report dated October 5, 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 nine 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 by your staff during our Follow-Up Audit.

Other recipients of this report:

Members, Board of Supervisors  
Members, Audit Oversight Committee  
Thomas G. Mauk, County Executive Officer  
David E. Sundstrom, Auditor-Controller  
William D. Mahoney, Deputy CEO/Government and Public Services  
Jess Carbajal, Director of Agency Administration/SSA  
Mary Ingram, Contract Services Manager, SSA/Privatization 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. 2532

June 13, 2006

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

We have completed a Final Close-Out Follow-Up Audit of internal controls over contract administration and cash disbursements processes of the Social Services Agency (SSA). Our Follow-Up Audit was limited to reviewing actions taken as of May 19, 2006, to implement the recommendations made in our original audit report dated October 5, 2005.

The original audit report contained (9) nine recommendations to strengthen controls in administrating and performing reviews of the Wraparound, Individual Provider and Welfare-To-Work Programs; and to ensure reconciliations of contract payments to corresponding job codes and to the General Ledger are performed regularly.

We found that SSA was very committed and responsive in implementing our recommendations. Procedures and forms for accomplishing program reviews were established as recommended in our original audit. However, due to staffing shortages, some of the program reviews had not yet started. SSA informed us that staffing levels have improved, which will enable them to follow the revised procedures and accomplish the reviews. As such, **we are pleased to report that satisfactory corrective action has been taken for all recommendations, and this report represents the final close-out of the original 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  
David E. Sundstrom, Auditor-Controller  
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