



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

2005 Recipient of the Institute of Internal Auditors  
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***FINAL CLOSE-OUT***

**SECOND FOLLOW-UP AUDIT OF  
AUDITOR-CONTROLLER  
TRUST AND AGENCY FUND DISBURSEMENTS  
ORIGINAL AUDIT No. 2429  
AS OF DECEMBER 16, 2005**

**AUDIT NUMBER: 2533**

**REPORT DATE: January 5, 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  
Auditor-Controller Trust and Agency Fund Disbursements  
Original Audit No. 2429**

**As of December 16, 2005**

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**Transmittal Letter**

Audit No. 2533

January 5, 2006

TO: David E. Sundstrom  
Auditor-Controller

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

SUBJECT: **Second and Final Close-Out Follow-Up Audit** of Department Control Review  
Auditor-Controller Trust and Agency Fund Disbursements,  
Original Audit No. 2429

We have completed a second and Final Close-Out Follow-Up Audit of Auditor-Controller trust and agency fund disbursements. Our audit was limited to reviewing, as of December 16, 2005, actions taken to implement the three recommendations in our initial Follow-Up Audit report dated May 31, 2005. The recommendations stemmed from our original audit report dated June 24, 2004. 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 three 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.

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Thomas G. Mauk, County Executive Officer
- Shaun Skelly, Chief Assistant Auditor-Controller
- Jan Grimes, Assistant Auditor-Controller, Central Operations
- Bob Leblow, Senior Manager, A-C/Central Operations/Claims & Disbursing
- 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. 2533

January 5, 2006

David E. Sundstrom  
Auditor-Controller  
12 Civic Center Plaza  
Santa Ana, CA 92701

We have completed a second and Final Close-Out Follow-Up Audit of internal controls and processes over trust and agency fund disbursements of the Auditor-Controller/Central Operations Division (Auditor-Controller). Our Follow-Up Audit was limited to reviewing actions taken as of December 16, 2005 to fully implement the three recommendations made in our initial Follow-Up Audit report dated May 31, 2005.

The original audit report contained (3) three recommendations to resolve unidentified, reconciling and unreconciled differences in a trust fund. Our initial Follow-Up Audit found two (2) items were in process of being fully implemented and one (1) item was partially implemented.

**We are pleased to report that satisfactory corrective action has been taken for all 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  
Shaun Skelly, Chief Assistant Auditor-Controller  
Jan Grimes, Assistant Auditor-Controller, Central Operations  
Bob Leblow, Senior Manager, A-C/Central Operations/Claims & Disbursing  
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