



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

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

**SECOND FOLLOW-UP AUDIT  
OF  
DEPARTMENT CONTROL REVIEW  
OF  
COUNTY CLERK-RECORDER**

**CASH RECEIPTS &  
TRUST FUND DISBURSEMENTS**

**(ORIGINAL AUDIT NO. 2324)**

**AS OF MARCH 31, 2006**

**AUDIT NUMBER: 2533**

**REPORT DATE: JUNE 26, 2006**

**Audit Director: Peter Hughes, Ph.D., CPA**  
**Deputy Director: Eli Littner, CPA, CIA**  
**Audit Manager: Michael Goodwin, CPA, CIA**  
**In-Charge Auditor: Lily Chin, CPA**

***Final Close-Out***

**Second Follow-Up Audit of Department Control Review  
County Clerk-Recorder Cash Receipts and  
Trust Fund Disbursements, Original Audit No. 2324**

**As of March 31, 2006**

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**Transmittal Letter**

Audit No. 2533

June 26, 2006

TO: Tom Daly  
County Clerk-Recorder

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

SUBJECT: **Final Close-Out** Second Follow-Up Audit of Department Control Review  
County Clerk-Recorder Cash Receipts and Trust Fund Disbursements,  
Original Audit No. 2324

We have completed a second Follow-Up Audit of cash receipts and trust fund disbursements processes. Our audit was limited to reviewing, as of March 31, 2006, actions taken to implement the remaining seven recommendations noted in our initial Follow-Up Audit report dated April 19, 2005. The recommendations stemmed from our original audit report dated September 2, 2003. 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 seven 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 the personnel of the staff of County Clerk-Recorder's office during our Follow-Up Audit.

Attachment

Other recipients of this report:

Members, Board of Supervisors  
Members, Audit Oversight Committee  
Thomas G. Mauk, County Executive Officer  
Renee Ramirez, Assistant Clerk-Recorder  
Paul Lanning, Assistant Clerk-Recorder  
Mitse Cohodas, Manager, Clerk-Recorder/Financial 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. 2533

June 26, 2006

Tom Daly  
County Clerk-Recorder  
12 Civic Center Plaza  
Santa Ana, CA 92703

We have completed a second Follow-up Audit of internal controls and processes over cash receipts and trust fund disbursements. Our Follow-Up Audit was limited to reviewing actions taken as of March 31, 2006 to implement the seven remaining recommendations made in our initial Follow-Up Audit report dated April 19, 2005.

The original audit report issued on September 2, 2003 contained eleven (11) recommendations to strengthen controls over cash receipts and trust funds. Our initial Follow-Up Audit found that seven (7) recommendations were not fully implemented. In our second Follow-Up Audit, we found satisfactory corrective action has been taken for all seven (7) recommendations. As such, **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 Procedure No. 1:

Members, Board of Supervisors  
Members, Audit Oversight Committee  
Thomas G. Mauk, County Executive Officer  
Renee Ramirez, Assistant Clerk-Recorder  
Paul Lanning, Assistant Clerk-Recorder  
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