



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

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***FINAL CLOSE-OUT***

**SECOND FOLLOW-UP AUDIT**

**LIMITED LEASE REVIEW**  
**OF**  
**SAND CANYON LLC**  
**(STRAWBERRY FARMS GOLF CLUB)**

**(ORIGINAL AUDIT No. 2340)**

**AS OF**  
**OCTOBER 31, 2006**

**AUDIT NUMBER: 2654-C**

**REPORT DATE: DECEMBER 18, 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>Autumn McKinney, CPA, CIA</b>
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***Final Close-Out***

**Second Follow-Up Audit  
Limited Lease Review of Sand Canyon LLC  
(Strawberry Farms Golf Club)  
Original Audit No. 2340**

**As of  
October 31, 2006**

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**Transmittal Letter**

Audit No. 2654-C

December 18, 2006

TO: Bryan G. Speegle, Director  
Resources and Development Management Department

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

SUBJECT: **Final Close-Out** Second Follow-Up Audit of the Limited Lease Review of Sand Canyon LLC (Strawberry Farms Golf Club), Original Audit No. 2340

We have completed a Second Follow-Up Audit of the Limited Lease Review of Sand Canyon LLC (Strawberry Farms Golf Club). Our audit was limited to reviewing, as of October 31, 2006, actions taken to implement the remaining three recommendations noted in our first Follow-Up Audit report dated October 4, 2006. The recommendations stemmed from our original audit report dated July 2, 2004. 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 three remaining 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

Parker Hancock, Interim Director, RDMD/Harbors, Beaches & Parks

Rich Adler, Chief, RDMD/HB&P/Lease Management

Mike Hentzen, Leasing Coordinator, RDMD/HB&P/Lease Management

Steve Danley, Director, RDMD/Administration

Mary Fitzgerald, Manager, RDMD/Accounting Services

Josie Velasquez, Chief, RDMD/Accounting/Santa Ana River, Watershed, Flood, Leases, and Infrastructure

Other recipients of this report (continued):

Vivienne Thornton, Administrative Manager I, RDMD/Accounting/Watershed, Flood, Leases  
& Infrastructure

Brian Cich, Senior Accountant I, RDMD/Accounting/Leases & Infrastructure

Debra Lakin, Chief, RDMD/Central Quality Assurance

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. 2654-C

December 18, 2006

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

We have completed the second Follow-Up Audit of the Limited Lease Review of Sand Canyon LLC (Strawberry Farms Golf Club). Our Follow-Up Audit was limited to reviewing actions taken as of October 31, 2006 to implement the three (3) remaining recommendations made in our first Follow-Up Audit report dated October 4, 2006.

The original audit report issued on July 2, 2004 contained eleven (11) recommendations. Our first Follow-Up Audit found that three (3) recommendations were not fully implemented. In our second Follow-Up Audit, we found satisfactory corrective action has been taken for the remaining three (3) 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 Committee Procedure No. 1:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Thomas G. Mauk, County Executive Officer
- Parker Hancock, Interim Director, RDMD/Harbors, Beaches & Parks
- Rich Adler, Chief, RDMD/HB&P/Lease Management
- Mike Hentzen, Leasing Coordinator, RDMD/HB&P/Lease Management
- Steve Danley, Director, RDMD/Administration
- Mary Fitzgerald, Manager, RDMD/Accounting Services
- Josie Velasquez, Chief, RDMD/Accounting/Santa Ana River, Watershed, Flood, Leases, and Infrastructure
- Vivienne Thornton, Administrative Manager I, RDMD/Accounting/Watershed, Flood, Leases & Infrastructure

*Bryan Speegle, Director*  
*Resources and Development Management Department*  
*December 18, 2006*  
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Distribution Pursuant to Audit Oversight Committee Procedure No. 1 (continued):  
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Darlene J. Bloom, Clerk of the Board of Supervisors