OC Board of Supervisors'

Internal Audit Department

ORANGE COUNTY

FINAL CLOSE-OUT

FIRST FOLLOW-UP AUDIT:

INTERNAL CONTROL REVIEW OF SOCIAL SERVICES AGENCY REVOLVING FUNDS ORIGINAL AUDIT NO. 2635

AS OF DECEMBER 31, 2007

Follow-Up Audit of corrective actions taken by Social Services Agency (SSA) and SSA Accounting to address three (3) remaining recommendations resulting from our original audit of revolving funds, in which over $1.2 million in revolving fund expenditures were incurred.

AUDIT NO: 2727-B
REPORT DATE: JANUARY 23, 2008

Audit Director: Peter Hughes, Ph.D., CPA
Deputy Director: Eli Littner, CPA, CIA
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Transmittal Letter

AUDIT NO. 2727-B JANUARY 23, 2008

TO: Ingrid Harita, Director
Social Services Agency

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: First and Final Close-Out Follow-Up Audit of Internal Control Review of Social Services Agency Revolving Funds, Original Audit No. 2635 Issued May 24, 2007

We have completed a first and Final Follow-Up Audit of the Social Services Agency's Revolving Funds process and controls. Our audit was limited to reviewing, as of December 31, 2007, actions taken to implement the three recommendations in our audit report dated May 24, 2007. In that audit, Social Services Agency maintained **two revolving funds totaling $247,750**, and **incurred over $1.2 million** in revolving fund expenditures.

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 all three audit recommendations, **this report represents the close-out of the original audit.**

Each month I submit an **Audit Status Report** to the 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.

ATTACHMENTS

Other recipients of this report listed on the Internal Auditor's Report on page 1.

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Internal Control Review of
Social Services Agency Revolving Fund
Audit No 2727-B
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As of December 31, 2007

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INTERNAL AUDITOR'S REPORT

AUDIT NO. 2727-B **JANUARY 23, 2008**

TO: Ingrid Harita, Director
Social Services Agency

SUBJECT: First and Final Close-Out Follow-Up Audit of Internal Control Review of Social Services Agency Revolving Funds
Original Audit No. 2635, Issued May 24, 2007

Scope of Review

We have completed a first and Final Close-Out Follow-Up Audit of Social Services Agency revolving funds. Our audit was limited to reviewing actions taken as of December 31, 2007 to implement the recommendations made in our original audit report.

Results

The original audit report contained three (3) recommendations pertaining to segregation of duties; timely submission of travel advance claims; and cancellation of supporting documentation. **We are pleased to report that satisfactory corrective action has taken place for all three audit recommendations.** As such, this report represents the final close-out of the original audit. We commend SSA Accounting on their responsiveness with the corrective actions taken.

We appreciate the cooperation and assistance extended to us by SSA and SSA Accounting during our Follow-Up Audit. If you have any questions, please contact me directly or Eli Littner, Deputy Director at 834-5899, or Michael Goodwin, Senior Audit Manager, at 834-6066.

Respectfully Submitted,

Dr. Peter Hughes, CPA, Director
Internal Audit Department

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

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