INTERNAL AUDIT DEPARTMENT

ORANGE COUNTY

2005 Recipient of the Institute of Internal Auditors' Award for Recognition of Commitment to Professional Excellence, Quality and Outreach

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FINAL CLOSE-OUT

SECOND FOLLOW-UP AUDIT

LIMITED REVIEW OF CONTROLS AND IMPLEMENTATION OF THE IWMD LANDFILL FEE COLLECTION AND ACCOUNTS RECEIVABLE SYSTEMS

(ORIGINAL AUDIT NO. 2327)

As of July 31, 2007

AUDIT NUMBER: 2626 **REPORT DATE: SEPTEMBER 20, 2007**

Audit Director: Peter Hughes, Ph.D., CPA
Deputy Director: Eli Littner, CPA, CIA
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Final Close-Out

Second Follow-Up Audit of the
Limited Review of Controls and Implementation of the
IWMD Landfill Fee Collection and Accounts Receivable Systems

Original Audit No. 2327

As of July 31, 2007

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Providing Facts and Perspectives Countywide

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ORANGE COUNTY
BOARD OF SUPERVISORS'
INTERNAL AUDIT DEPARTMENT

Transmittal Letter

Audit No. 2626

September 20, 2007

TO: Janice V. Goss, Director
Integrated Waste Management Department

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

SUBJECT: Second and Final Close-Out Audit of the Limited Review of Controls and Implementation of the IWMD Landfill Fee Collection and Accounts Receivable Systems, Original Audit No. 2327, Issued July 6, 2004

We have completed a second and Final Close-Out Follow-Up Audit of the Limited Review of Controls and Implementation of the IWMD Landfill Fee Collection and Accounts Receivable Systems. Our audit was limited to reviewing, as of July 31, 2007, actions taken to implement the remaining six (6) recommendations in our first follow-up audit report dated January 26, 2006. The recommendations stemmed from our original audit report dated July 6, 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 six (6) recommendations, this report represents the final 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 Follow-Up 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
Alisa Drakodaidis, Deputy CEO, Infrastructure & Environmental Services
Ronald Pierre, Deputy Director, IWMD/Administration
Patrick Copland, Manager, IWMD Information Systems
Tonya Burnett, Manager, IWMD Accounting
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. 2626

September 20, 2007

TO: Janice V. Goss, Director
Integrated Waste Management Department

SUBJECT: Second and Final Close-Out Audit of the Limited Review of Controls and Implementation of the IWMD Landfill Fee Collection and Accounts Receivable Systems, Original Audit No. 2327, Issued July 6, 2004

We have completed a second and Final Close-Out Follow-Up Audit of the Limited Review of Controls and Implementation of the IWMD Landfill Fee Collection and Accounts Receivable Systems. Our audit was limited to reviewing actions taken, as of July 31, 2007, to implement the recommendations made in our original audit and initial Follow-Up Audit reports.

The original audit report, dated July 6, 2004, contained fifteen (15) recommendations. Our initial Follow-Up Audit report, dated January 26, 2006, indicated six (6) remaining recommendations. We are pleased to report our second Follow-Up Audit found that satisfactory corrective action has been taken for the remaining six (6) recommendations. **As such, this report represents the final close-out of the original audit.**

We appreciate the courtesy and cooperation extended to us by the personnel of IWMD during our Follow-Up Audit. If we can be of further assistance, please contact me or Eli Littner, Deputy Director, at 834-5899, or Autumn McKinney, Senior Audit Manager at 834-6106.

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
Alisa Drakodaidis, Deputy CEO, Infrastructure & Environmental Services
Ronald Pierre, Deputy Director, IWMD/Administration
Patrick Copland, Manager, IWMD Information Systems

The Internal Audit Department is an independent audit function reporting directly to the Orange County Board of Supervisors.

Tonya Burnett, Manager, IWMD Accounting
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisor