



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

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

Integrity ♦ Objectivity ♦ Independence

FINAL CLOSE-OUT

**INITIAL FOLLOW-UP AUDIT
OF
PERFORMANCE MEASURE VALIDATION
AUDITOR-CONTROLLER**

(ORIGINAL AUDIT NO. 2554)

AUDIT NUMBER: 2668

REPORT DATE: APRIL 25, 2007

Audit Director:	Peter Hughes, Ph.D., CPA
Deputy Director:	Eli Littner, CPA, CIA
Senior Audit Manager:	Alan Marcum, MBA, CPA, CIA
Audit Manager:	Kenneth Wong, CPA, CIA

Final Close-Out

**Initial Follow-Up Audit of
Performance Measure Validation
Auditor-Controller**

Original Audit No. 2554

TABLE OF CONTENTS

Transmittal Letter..... i

INTERNAL AUDITOR'S REPORT..... 1



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT

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

Integrity ♦ Objectivity ♦ Independence

Office of the Director
DR. PETER HUGHES
Ph.D., MBA, CPA, CIA, CFE, CITP

MAILING ADDRESS:
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CALIFORNIA 92701

TELEPHONE: (714) 834-5475
FAX: (714) 834-2880
EMAIL: peter.hughes@ocgov.com
WEBSITE: www.ocgov.com/audit/

ELI LITTNER
CPA, CIA, CFE, CFS, CISA
DEPUTY DIRECTOR

MICHAEL J. GOODWIN
CPA, CIA
SENIOR AUDIT MANAGER

ALAN MARCUM
MBA, CPA, CIA, CFE
SENIOR AUDIT MANAGER

AUTUMN MCKINNEY
CPA, CIA, CGFM, CISA
SENIOR AUDIT MANAGER

Transmittal Letter

Audit No. 2668

April 25, 2007

TO: David E. Sundstrom
Auditor-Controller

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

SUBJECT: **Initial and Final Close-Out Follow-Up Audit** of Performance Measure Validation
of Auditor-Controller, Original Audit No. 2554, Issued April 14, 2006

We have completed an initial and Final Follow-Up Audit of Performance Measure Validation of Auditor-Controller. Our audit was limited to reviewing, as of the 2007 Annual Report (Business Plan), actions taken to implement the eleven (11) recommendations in our audit report dated April 14, 2006. 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 audit recommendations, this report represents the final close-out of the original audit.

Each month I submit an **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 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
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors



COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT

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

Integrity ♦ Objectivity ♦ Independence

Office of the Director
DR. PETER HUGHES
Ph.D., MBA, CPA, CIA, CFE, CITP

MAILING ADDRESS:
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CALIFORNIA 92701

TELEPHONE: (714) 834-5475
FAX: (714) 834-2880

EMAIL: peter.hughes@ocgov.com
WEBSITE: www.ocgov.com/audit/

ELI LITTNER
CPA, CIA, CFE, CFS, CISA
DEPUTY DIRECTOR

MICHAEL J. GOODWIN
CPA, CIA
SENIOR AUDIT MANAGER

ALAN MARCUM
MBA, CPA, CIA, CFE
SENIOR AUDIT MANAGER

AUTUMN MCKINNEY
CPA, CIA, CGFM, CISA
SENIOR AUDIT MANAGER

INTERNAL AUDITOR'S REPORT
FINAL CLOSE OUT

Audit No. 2668

April 25, 2007


David E. Sundstrom
Auditor-Controller
12 Civic Center Plaza
Santa Ana, CA 92702

We have completed an initial and Final Follow-Up Audit of Performance Measure Validation of Auditor-Controller. Our audit was limited to reviewing, as of the 2007 Annual Report (Business Plan), actions taken to implement the eleven (11) recommendations in our audit report dated April 14, 2006.

The original audit report contained eleven (11) recommendations. **We are pleased to report that satisfactory corrective action has taken place for all audit recommendations. As such, this report represents the final close-out of the original audit.** We commend your staff for their responsiveness and attentiveness in addressing the audit recommendations.

We appreciate the cooperation and assistance extended to us by your staff during our Follow-Up Audit. If you have any questions, please contact me directly or Eli Littner, Deputy Director at 834-5899, or Alan Marcum, Senior Audit Manager at 834-4119.

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
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors