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FINAL CLOSE-OUT SECOND FOLLOW-UP AUDIT:

PROBATION DEPARTMENT REVOLVING FUND

As of December 12, 2007

Follow-Up Audit of corrective actions taken by the Probation Department to address four (4) remaining recommendations resulting from our original audit of revolving funds, in which Probation had a \$69,000 revolving fund and incurred \$199,396 in revolving fund expenditures.

AUDIT NO: 2728-A REPORT DATE: JANUARY 29, 2008

Audit Director: Peter Hughes, Ph.D., CPA
Deputy Director: Eli Littner, CPA, CIA
Sr. Audit Manager: Michael Goodwin, CPA, CIA
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Letter from Director Peter Hughes



Transmittal Letter



AUDIT NO. 2728-A January 29, 2008

TO: Colleene Preciado Chief Probation Officer Probation Department

FROM: Dr. Peter Hughes, CPA, Director

Internal Audit Department

SUBJECT: Final Close-Out Second Follow-Up

Audit: Internal Control Review of Probation Department Revolving Fund

Original Audit No. 2598

We have completed a Second Follow-Up Audit of the revolving fund processes at the Probation Department. Our audit was limited to reviewing, as of December 12, 2007, actions taken to implement the recommendations in our first Follow-Up Audit report dated August 30, 2007. Two of the recommendations in this Follow-Up Audit stemmed from our original audit dated October 3, 2006 and from two were new recommendations made in our First Follow-Up Audit. In the original audit, Probation had a \$69,000 revolving fund and incurred \$199,396 in revolving fund expenditures.

The results of our Second Follow-Up Audit are discussed in the **Internal Auditor's Report** following this transmittal letter. Because satisfactory corrective actions have been taken for the four (4) 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 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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As of December 12, 2007

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INTERNAL AUDITOR'S REPORT

AUDIT No. 2728-A

JANUARY 29, 2008

TO: Colleene Preciado, Chief Probation Officer

Probation Department

SUBJECT: Final Close-Out Second Follow-Up Audit of Internal

Control Review of Probation Department Revolving Fund, Original Audit No. 2598

Scope of Review

We have completed a Second Follow-Up Audit of internal controls over revolving fund processes at the Probation Department. Our audit was limited to reviewing actions taken as of December 12, 2007 to implement the four remaining recommendations in our First Follow-Up Audit report dated August 30, 2007.

Results

The First Follow-Up Audit report contained two (2) recommendations that were partially implemented and two (2) new recommendations due to a new finding. We are pleased to report that corrective action has been taken for all four (4) recommendations. As such, this report represents the final close-out of the original audit.

Acknowledgment

We appreciate the courtesy and cooperation extended to us during the audit by the personnel of Probation's General Accounting Office. If we can be of further assistance, please contact me or Eli Littner, Deputy Director, at (714) 834-5899 or Michael Goodwin, Senior Audit Manager, at (714) 834-6066.

Respectfully Submitted,

Dr. Peter Hughes, CPA, Director Internal Audit Department

ATTACHMENTS

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

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