



**AUDITOR-CONTROLLER
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August 30, 2007

The Honorable Nancy Wieben Stock
Presiding Judge of the Superior Court of California
700 Civic Center Drive West
Santa Ana, California 92701

The Honorable Nancy Wieben Stock:

In accordance with the Grand Jury's request, attached is my response to the 2006-2007 Orange County Grand Jury report "Orangewood Children's Home: Overstaffed and Underutilized?"

Responses to Finding 6 and Recommendation 5 are contained in the attachment. If you have any questions, please contact me.

David E. Sundstrom
Auditor-Controller

DES:lr (wg/lr Response to GJ Report-Orangewood)
Attachment

cc: Members, Board of Supervisors
Clerk of the Board of Supervisors
Tom Mauk, County Executive Officer

2006-2007 Grand Jury Report
“Orangewood Children’s Home: Overstaffed and Underutilized?”
Auditor-Controllers Response to Findings and Recommendations

Responses to Findings

- F-6 The Orangewood Children’s Home has not had an operational performance audit recently.

Response: Agree with finding.

We agree with the finding to the extent that my office has not performed an operational performance audit of the Orangewood Children’s Home. However, we have not conducted a review to see if any other organizations have performed such an audit. The only work performed by my office at Orangewood is a semi-annual, limited review of SSA revolving funds (petty cash) allocated to Orangewood. This review is limited to verifying that cash on hand plus unreimbursed receipts equals the total amount of revolving funds allocated to Orangewood. This work does not constitute an operational performance audit and such an audit is outside the scope of my office. My office does not have an operational performance audit group nor are we staffed to perform such an audit. Such an audit is an Internal Audit function and further questions regarding such work should be referred to the Internal Audit Department.

Responses to Recommendations

- R-5 Orangewood Children’s Home should have an operational performance audit. (This recommendation arises from Finding F-6.)

Response: This recommendation will not be implemented by my office because it is outside the scope of my office.

Please see Finding F-6 above for a background on this matter.