



Internal Audit Department

O R A N G E C O U N T Y

AUDIT HIGHLIGHT

MAY 7, 2012

**Critical
Impact
Audit**

Annual Audit of Treasurer's Investment Compliance For Year Ended December 31, 2010 Audit No. 1013

WHY IS THIS AUDIT IMPORTANT?

The Internal Audit Department was directed by the Board of Supervisors to conduct the required annual audit to determine that the Treasurer has complied with both the California Government Code and the Orange County Treasurer Investment Policy Statement approved by the Board of Supervisors. The primary purpose of this audit is to provide reasonable assurance to the Board of Supervisors that the Treasurer has purchased only those high quality and safe investments that have been authorized by Government Code and County policy. As the public stewards of over \$7 billion of taxpayers' monies, compliance with the Investment Policy Statement is of the highest priority for the Board of Supervisors. The importance of having the Treasurer establish and practice sound internal controls ensures full compliance with the California Government Code and the Investment Policy Statement.

WHAT THE AUDITORS FOUND?

We found that the Orange County Treasurer complied, in all material respects, with the California Government Code Sections 27130 through 27137 and related provisions of the Orange County Investment Policy Statement for the Money Market and the Extended Funds for the year ended December 31, 2010. In addition, we examined compliance with certain requirements contained within the Resolution for the Establishment of the Treasury Oversight Committee, Bylaws and Rules of Procedures of the Treasury Oversight Committee, and County policies and procedures. We did not identify any deficiencies in internal control that we consider to be material weaknesses or a significant deficiency. However, we identified areas where compliance and internal controls over compliance could be improved.