



Internal Audit Department

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

6th Largest
Investment Pool
in the Country

**Critical
Impact**

**\$7.797 Billion
Investment**

EXAMINATION HIGHLIGHT SEPTEMBER 15, 2014

REQUIRED ANNUAL EXAMINATION OF THE TREASURER'S INVESTMENT
COMPLIANCE WITH GOVERNMENT CODE AND
COUNTY INVESTMENT POLICIES
For the Year Ended December 31, 2013

Audit No. 1314

WHY THIS EXAMINATION IS IMPORTANT

The purpose of this examination is to help provide assurance to the Board of Supervisors and Treasury Oversight Committee that the Treasurer has purchased only **high quality and safe investments** as allowed by the California Government Code and the Orange County Board of Supervisor's Investment Policy Statement. This examination is required by California Government Code Section 27134 and was conducted in accordance with the attestation standards established by the **American Institute of Certified Public Accountants (AICPA)**. This examination was made compulsory by the State Legislature as a result of the Orange County bankruptcy in 1995 as designed to protect the citizens from losses occurring from buying risky securities.

WHAT THE AUDITORS FOUND

In our opinion, the Orange County Treasurer complied in all material respects with selected investment regulations of the California Government Code and the Orange County Treasurer Investment Policy Statement for the year ended December 31, 2013.

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 identified one (1) deficiency in internal control over compliance where subsequent corrective actions were put in place to prevent further non-compliance.