



OC Board of Supervisors' Internal Audit Department

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

AUDIT HIGHLIGHT OCTOBER 28, 2009

INTERNAL AUDITOR'S REPORT TO THE BOARD OF SUPERVISORS

ORANGE COUNTY DISTRICT ATTORNEY'S OFFICE AUDIT OF DISABILITY AND HEALTHCARE INSURANCE FRAUD PROGRAM, AUDIT NO. 2911

WHAT WE FOUND?

We found the financial statement presents fairly, in all material respects, the approved budget and revenue and expenditures of the District Attorney's Disability and Healthcare Insurance Fraud Program, for Fiscal Year Ending June 30, 2009. In addition, in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, we also issued a report on our consideration of internal control structure related matters and compliance with laws and regulations over financial reporting.

In our report of the District Attorney's internal control, we did not identify any significant deficiencies or material weaknesses. Also, in our report of compliance with laws and regulations, our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

WHY WE DID THIS AUDIT?

The grant agreement requires that the District Attorney obtain an annual audit of the financial statement. The District Attorney has the option of outsourcing the audit to an outside CPA firm, but instead requested that the County Internal Audit Department continue to be the vendor of first choice to conduct this important audit.

WHY IS THIS AUDIT IMPORTANT?

This audit provides the required assurance to the California Department of Insurance, the Board of Supervisors and County executive management that the grant funds were properly spent.

BACKGROUND & INFORMATION (SEE COMPLETE AUDIT REPORT FOR DETAIL)

The grant is funded by the California Department of Insurance, and the 2008/2009 fiscal year grant award totaled \$519,124. Current year's expenditures exceeded total grant revenue by \$234,422. The excess of expenditures over revenues as of June 30, 2009 cannot be applied toward future years' grant revenue. Therefore, the excess expenditures are absorbed by the District Attorney.

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