Internal Audit Department

ORANGE COUNTY

COUNTY OF ORANGE
DISTRICT ATTORNEY'S OFFICE
AUDIT OF SPOUSAL ABUSER PROSECUTION PROGRAM
(GRANT AWARD NO. 06SA13B017)

AS OF JUNE 30, 2007

AUDIT NO: 2708
REPORT DATE: DECEMBER 31, 2007

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Providing Facts and Perspectives Countywide

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Orange County's Internal Audit — Fraud Hot-Line — 24/7 Fraud Hotline

OC Fraud Hotline (714) 834-3608

Letter from Director Peter Hughes

Transmittal Letter

AUDIT NO. 2708 **December 31, 2007**

TO: Tony Rackauckas
District Attorney

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: County of Orange District Attorney's Office Audit of Spousal Abuser Prosecution Program

Attached are three copies of our report on Audit of the District Attorney's Spousal Abuser Prosecution Program for the year ended June 30, 2007. Please forward one copy to the State of California Department of Justice as required by the grant documents.

Each month I submit an **Audit Status Report** to the BOS 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.

As always, the Internal Audit Department is available to partner with your staff so that they can successfully implement or mitigate difficult audit recommendations. Please feel free to call me should you wish to discuss any aspect of our audit report or recommendation.

Additionally, we will request your department to complete a **Customer Survey** of Audit Services. You will receive the survey shortly after the distribution of our final report.

ATTACHMENTS

Other recipients of this report listed on the Independent Auditor's Report on page 2.

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Audit No. 2708

As of June 30, 2007

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INDEPENDENT AUDITOR'S REPORT

AUDIT NO. 2708 **DECEMBER 31, 2007**

Ms. Teresa Low, Program Coordinator
State of California
Department of Justice
Spousal Abuser Prosecution Program
P.O. Box 944255
Sacramento, CA 94244-2550

Scope of Review

We have audited the accompanying Schedule of Approved Budget and Cumulative Expenditures and the Schedule of Costs Claimed and Accepted, of the County of Orange District Attorney's Office (District Attorney) Spousal Abuser Prosecution Program for the year ended June 30, 2007. These financial statements are the responsibility of the District Attorney's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

On this date, and in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, we have also issued a report on our consideration of internal control structure related matters and compliance with laws and regulations based on an audit of the financial statements of the Spousal Abuser Prosecution Program. The internal control and compliance reports are an integral part of this audit and should be considered with the results of our report on the financial statements.

Results

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenues and expenditures of the District Attorney's Spousal Abuser Prosecution Program for the year ended June 30, 2007, in conformity with generally accepted accounting principles of the United States of America.

This report is intended solely for the information and use of the County of Orange District Attorney's Office and for filing with the State of California Department of Justice and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

Dr. Peter Hughes, CPA, Director
Internal Audit Department

ATTACHMENTS

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Lisa Bohan-Johnston, Director, District Attorney Administrative Services
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors

COUNTY OF ORANGE

DISTRICT ATTORNEY'S OFFICE

SPOUSAL ABUSER PROSECUTION PROGRAM

SCHEDULE OF APPROVED BUDGET AND CUMULATIVE EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2007

	Approved Budget		Cumulative Expenditures Claimed		Over (Under) Budget	
	State	In-Kind Match	State	In-Kind Match	State	In-Kind Match
Expenditures:						
Personal Services	$ 94,581	$ 18,917	$ 94,581	$ 18,917	$ -	$ -
Operating Expenditures	452	90	452	90	-	-
Totals	$ 95,033	$ 19,007	$ 95,033	$ 19,007	$ -	$ -

See Independent Auditors' Report and Notes to the Financial Statements

COUNTY OF ORANGE

DISTRICT ATTORNEY'S OFFICE

SPOUSAL ABUSER PROSECUTION PROGRAM

SCHEDULE OF COSTS CLAIMED AND ACCEPTED

FOR THE YEAR ENDED JUNE 30, 2007

	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended For Disallowance
Personal Services	$ 94,581	$ 94,581	$ -	$ -
Operating Expenditures	452	452	-	-
Totals	$ 95,033	$ 95,033	$ -	$ -

See Independent Auditors' Report and Notes to the Financial Statements

COUNTY OF ORANGE

DISTRICT ATTORNEY'S OFFICE

SPOUSAL ABUSER PROSECUTION PROGRAM

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 – BACKGROUND

The Spousal Abuser Prosecution Program, under the direction of the County of Orange District Attorney, was developed in 1994 to enhance the abilities of local prosecutors to prosecute spousal abuse cases and to minimize the emotional trauma for victims during legal proceedings. These objectives are achieved through vertical prosecution of abuse cases, reduced caseloads, assignment of highly qualified investigators and prosecutors, utilization of trained counselors, and coordination with local victim support agencies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District Attorney records its revenues and expenditures on the modified accrual basis. Revenues are recognized in the period they become measurable and available and expenditures are recognized when incurred. However, because of the timing of transactions in this period the effect is essentially the same as a full accrual presentation.

A. Reporting Entity. The financial statements are intended to present the results of operations of only those transactions attributable to the Program.
B. Personal Services. These expenditures include salaries and benefits of attorneys directly involved with the Program.
C. Operating Expenditures. These expenditures include audit costs.
D. Costs Claimed and Accepted. These amounts represent the program costs claimed by the County of Orange District Attorney and accepted by the State.

NOTE 3 – FUNDING SUMMARY

Grant funding was provided by the California Department of Justice. The grant award covered the period July 1, 2006 through June 30, 2007, and totaled $95,033.

As required by Penal Code section 273.81(d), the County of Orange District Attorney provided a 20% in-kind match, funded by the County General Fund. All monies awarded were expended during the grant. Allowable expenditures were limited to those identified in the grant proposal. A new grant for the period July 1, 2007 through June 30, 2008 is currently in the approval process.

OTHER REPORTS

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 31, 2007

Ms. Teresa Low, Program Coordinator
State of California
Department of Justice
Spousal Abuser Prosecution Program
P.O. Box 944255
Sacramento, CA 94244-2550

We have audited the Schedule of Approved Budget and Cumulative Expenditures and the Schedule of Costs Claimed and Accepted, of the County of Orange District Attorney's Office (District Attorney) Spousal Abuser Prosecution Program, for the year ended June 30, 2007, and have issued our report thereon dated December 31, 2007.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing our audit of the Schedule of Approved Budget and Cumulative Expenditures and the Schedule of Costs Claimed and Accepted, of the County of Orange District Attorney's Office Spousal Abuser Prosecution Program, for the year ended June 30, 2007, we considered the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the above financial statement and not to provide assurance on the internal control structure.

The management of the District Attorney is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of the financial statement in accordance with generally accepted accounting principles of the United States of America. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Payroll
Operating Expenditures
Revenues/Receipts
Administrative Controls

For all internal control categories listed above, we obtained an understanding of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure that we consider to be material weaknesses as defined above.

This report was discussed with staff of the District Attorney on December 28, 2007, and is intended for the information of the management of the District Attorney and California Department of Justice. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,

Dr. Peter Hughes, CPA, Director
Internal Audit Department

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 31, 2007

Ms. Teresa Low, Program Coordinator
State of California
Department of Justice
Spousal Abuser Prosecution Program
P.O. Box 944255
Sacramento, CA 94244-2550

We have audited the Schedule of Approved Budget and Cumulative Expenditures and the Schedule of Costs Claimed and Accepted, of the County of Orange District Attorney's Office (District Attorney) Spousal Abuser Prosecution Program, for the year ended June 30, 2007, and have issued our report thereon dated December 31, 2007.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the Spousal Abuser Prosecution Program is the responsibility of the District Attorney's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District Attorney's compliance with certain provisions of the laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the District Attorney complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the District Attorney had not complied, in all material respects, with those provisions.

This report was discussed with staff of the District Attorney on December 28, 2007, and is intended for the information of the management of the District Attorney and California Department of Justice. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,

Dr. Peter Hughes, CPA, Director
Internal Audit Department