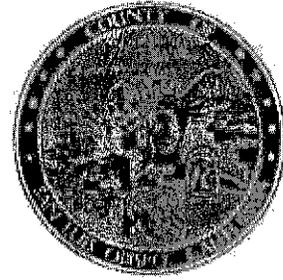


**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor-Controller	(2) MEETING DATE 11/26/2013	(3) CONTACT/PHONE Kerry Bailey 788-2979 Suzanne De Witt 781-4846	
(4) SUBJECT Review of the District Attorney's Office State of California Department of Insurance Workers Compensation Insurance Fraud Program Grant for Fiscal Year 2012-13.			
(5) RECOMMENDED ACTION It is recommended that the Board receive the item and file.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>November 20, 2012</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors
FROM: James Erb, CPA, Auditor - Controller -Treasurer -Tax Collector
DATE: 11/26/2013
SUBJECT: Review of the District Attorney's Office State of California Department of Insurance Workers Compensation Insurance Fraud Program Grant for Fiscal Year 2012-13

RECOMMENDATION

It is recommended that the Board receive the item and file.

DISCUSSION

The objective of our review was to determine the County of San Luis Obispo District Attorney's Office compliance with the State of California Department of Insurance grant program guidelines.

OTHER AGENCY INVOLVEMENT/IMPACT

The District Attorney's Office administers the grant.

FINANCIAL CONSIDERATIONS

Total grant funds awarded were \$62,254 for fiscal year 2012-13.

RESULTS

We determined that the department is in compliance with the grant program guidelines.

The Auditor-Controller-Treasurer-Tax Collector's review of grant programs helps maintain and improve internal controls and procedures for grant compliance by County staff and contributes to the County's vision of a well-governed community.

ATTACHMENTS

1. DA Workers' Compensation Final Report



COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX COLLECTOR

1055 MONTEREY ST, RM. D290
SAN LUIS OBISPO, CA 93408
(805) 781-5831 • FAX (805) 781-5362
<http://sloacttc.com>

JAMES P. ERB, CPA
Auditor-Controller
Treasurer-Tax Collector
James W. Hamilton, CPA
Assistant

TO: GERALD T. SHEA, DISTRICT ATTORNEY

FROM: JAMES P. ERB, CPA, AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR

DATE: OCTOBER 24, 2013

SUBJECT: REVIEW OF THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE
WORKERS' COMPENSATION FRAUD PROGRAM GRANT FOR FISCAL YEAR 2012-
2013.

Our office recently completed an audit of the State of California Department of Insurance Workers' Compensation Fraud Program Grant for fiscal year 2012-13.

Purpose

The purpose of our audit was to determine the County of San Luis Obispo's compliance with the State of California Department of Insurance grant program guidelines.

Scope

Our audit included the Workers' Compensation Fraud Program Grant for Fiscal Year 2012-2013.

Methodology

We conducted our audit using generally accepted auditing standards and the *Government Auditing Standards* published by the Comptroller General of the United States (revised December 2011). Our work included review of grant payments received; grant expenditures, including hours of staff assigned to the grant; statistics of cases used to measure grant performance; and the department's internal controls. Our evaluation of internal controls was limited to inquiries of departmental staff and direct observations.

Independence

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair generally accepted auditing standards of independence. Specifically, "auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant and/or material to the subject of the audit." Although the San Luis Obispo County Auditor-Controller – Treasurer – Tax Collector is statutorily obligated to maintain the accounts of departments, agencies or funds that are contained within the county treasury, we believe adequate safeguards and division of responsibility exist. The Auditor-Controller – Treasurer – Tax Collector's Internal Audit Division, which has the responsibility to perform audits, has no other responsibility for the accounts and records being audited including the approval or posting of

the transactions subject to audit. This would therefore enable the reader of this report to rely on the information contained herein.

Results

We determined that the department is in compliance with the grant program guidelines in all material respects.

We would like to thank the District Attorney management and staff for their cooperation during our review.