

STATE OF CONNECTICUT



*AUDITORS' REPORT
OFFICE OF THE ATTORNEY GENERAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2011*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

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December 10, 2012

**AUDITORS' REPORT
OFFICE OF THE ATTORNEY GENERAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2011**

We have examined the financial records of the Office of the Attorney General (Office) for the fiscal years ended June 30, 2010 and 2011. This report on our examination consists of the Comments, Condition of Records, Recommendations and Certification that follow.

This audit examination has been limited to assessing the Office of the Attorney General's compliance with certain provisions of laws, regulations, contracts and grant agreements, and evaluating the internal control structure policies and procedures established to ensure such compliance. Financial statement presentation and auditing is done on a Statewide Single Audit basis to include all state agencies.

COMMENTS

FOREWORD:

The Attorney General is an elected state officer whose duties are set forth in Title 3, Chapter 35, of the Connecticut General Statutes. The Attorney General is the chief civil legal officer of the state, serves as legal counsel to all state agencies and is authorized to represent the people of the state to protect the public interest. George Jepsen was sworn in on January 5, 2011 as Attorney General succeeding Richard Blumenthal who previously served in that capacity.

The mission of the Office is to represent and advocate for the interests of the state and its citizens, to ensure that state government acts within the law, to protect public resources for present and future generations, to preserve and enhance the quality of life for all state citizens, and to ensure that the rights of the most vulnerable citizens are safeguarded. The Office is divided into 15 departments that serve as legal counsel to state agencies which provide particular categories of service to state residents. The departments are:

Antitrust and Competition Advocacy	Health and Education
Child Protection	Health Care/Whistleblower
Collections and Child Support	Public Safety
Consumer Protection	Special Litigation and Charities
Employment Rights	Torts/ Civil Rights
Energy	Transportation
Environment	Workers' Compensation/Labor
Finance	

Legislative Changes:

There were no legislative changes that had a significant effect on the operations of the Office of the Attorney General during the audited period.

RÉSUMÉ OF OPERATIONS:

Revenues:

Revenues for the Office of the Attorney General by fund are shown below:

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
General Fund	\$ 9,734,572	\$45,858,262	\$9,699,410
Federal and Other Restricted Fund	<u>560,806</u>	<u>221,890</u>	<u>128,167</u>
Total Revenues by Fund	<u>\$10,295,378</u>	<u>\$46,080,152</u>	<u>\$9,827,577</u>

General Fund receipts fluctuate due to large settlements that vary from year to year. The largest settlements were with the gaming casinos and pharmaceutical companies. The Federal and Other Restricted Fund decreases each year because the consumer cases are settled and the funds collected are directed to the General Fund instead of the Office's Consumer Protection Fund. Revenues for the Office of the Attorney General by revenue account are shown below:

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Mashantucket & Mohegan Sun Gaming	\$ -0-	\$25,328,800	\$ -0-
Negotiated Settlements	7,388,016	2,064,765	8,705,396
Civil Penalties for Court Judgments	523,640	16,498,901	169,624
Recoveries for Attorney Fees	1,263,418	1,648,618	699,265
Other Revenues	<u>1,120,304</u>	<u>539,067</u>	<u>253,292</u>
Total Revenues by Account	<u>\$10,295,378</u>	<u>\$46,080,152</u>	<u>\$9,827,577</u>

The largest source of revenue during the audited period was as a result of an agreement with casinos within the state to settle a matter regarding the application of a promotional program for slot revenue. The casinos issued credits to patrons to allow for additional slot machine gambling but did not include the value of those credits within their total revenues reported to the state. The state receives 25 percent of certain slot revenues. The agreement settled past amounts due, as well as the method for proper calculations of the amounts due in the future. The changes in negotiated settlement revenue were due to seven relatively large settlements totaling \$6,598,782

and \$7,484,109 during the fiscal years ended June 30, 2009 and 2011, respectively, with smaller monetary settlements occurring during the fiscal year ended June 30, 2010. The settlements were with companies that represent insurance, pharmaceutical, and reinsurance broker companies. The increase in civil penalties for court judgments during the fiscal year ended June 30, 2010 was due to penalties received from a pharmaceutical company totaling \$16,498,098. While the settlement was for \$25,000,000, the remaining amounts were paid to the state Department of Social Services and not recorded within the Office's General Fund receipts.

Expenditures:

Expenditures by fund and account for the Office of the Attorney General are shown below:

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
General Fund	\$30,870,400	\$27,868,493	\$27,779,542
Federal and Other Restricted Funds	578,206	598,783	471,735
Capital Equipment Fund	288,732	194,923	46,873
Total Expenditures by Fund	<u>\$31,737,339</u>	<u>\$28,662,199</u>	<u>\$28,298,150</u>

General Fund expenditures generally represent personal services for employees providing legal services to other state agencies. Total expenditures from the General Fund decreased 9.7 and 3.2 percent due mostly to reductions in personal services and purchases of capital equipment. The Federal and Other Restricted Funds includes several smaller accounts that are used to account for expenses incurred on behalf of specific types of cases, which include consumer protection, client agency costs, capital equipment purchases and the Second Injury Fund. Also within this fund category, law firms providing specialized services are paid using amounts transferred by the agency that required the specialized service. These amounts are netted within the Federal and Other Restricted Funds above and show as an expenditure on the related state agency's accounting records.

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Personal Services & Employee Benefits	\$29,502,310	\$26,784,265	\$26,786,422
Employee Expenses, Allowances & Fees	203,055	177,028	151,971
Purchases & Contracted Services	1,134,864	946,089	851,509
Information Technology	270,387	211,968	209,131
Premises & Property Expenses	120,953	82,093	119,635
Purchased Commodities	191,615	170,465	114,415
Capital Outlays – Equipment	288,732	194,705	48,131
Motor Vehicle Costs	25,423	16,092	16,935
Grant Refunds	-0-	79,493	-0-
Total Expenditures by Account	<u>\$31,737,339</u>	<u>\$28,662,199</u>	<u>\$28,298,150</u>

Total expenditures decreased 9.7 and 1.3 percent for the fiscal years ended June 30, 2010 and 2011, respectively. Personal services and employee benefits decreased 9.2 and increased less than 0.01 percent for the fiscal years ended June 30, 2010 and 2011, respectively. The decrease was due mostly to a decrease in full-time salaries and wages. Purchases and contracted services decreased 16.6 and 10 percent for the fiscal years ended June 30, 2010 and 2011, respectively.

These changes were due mostly to reductions in contracted attorney fees and subscriptions during the fiscal year ended June 30, 2010. In addition to further reductions in those categories, in the fiscal year ended June 30, 2011 there were further decreases in postage and witness compensation with an offsetting increase in management consultant services for \$120,000 for the administration of consumer restitution in certain cases.

Second Injury Fund Costs:

All expenses incurred by the Office on behalf of the Second Injury Fund for the State Treasurer's Office shall be paid from the Second Injury and Compensation Assurance Fund in accordance with Section 31-355, subsection (d). Personal services for employees charged directly to the Treasurer's Second Injury Fund totaled \$2,227,696, \$1,832,072 and \$1,915,007 for the fiscal years ended June 30, 2009, 2010 and 2011, respectively. The Office also charged \$79,502, \$47,763 and \$41,520 to the fund for computers or other expenses.

Contracted Legal Services for State Agencies:

The Office administers an account that tracks the amounts paid to contracted law firms for legal service provided to other state agencies. This account's expenses are paid to the law firms and receipts are from the state agencies. Expenditures for contracted legal services totaled \$5,954,086 during the audited period, and were generally reimbursed by other state agencies. The expenditures vary by the amount and scope of outside legal services provided.

Funds Awaiting Distribution and Escrow Account for Settlements:

The Funds Awaiting Distribution Fund and an escrow account were used to account for the collection and distribution of settlements due to the Office, other state agencies, or consumers. The Funds Awaiting Distribution Fund is a suspense account for receipts waiting for the final distribution to consumers. The escrow account is a bank account that is used to deposit receipts when there are contingencies in a case where the outcome is dependent on factors yet to occur. Distributions are made in accordance with the corresponding court orders. The Funds Awaiting Distribution Fund's balances for the fiscal years ended June 2009, 2010 and 2011 were \$1,390,674, \$1,602,785 and \$702,983, respectively. The escrow account's balances for the same fiscal years were \$52,650, \$23,574 and \$23,685, respectively.

Capital Equipment Purchase Fund:

The Office made expenditures from the Capital Equipment Purchase Fund totaling \$288,732, 194,070, and \$46,873 during the fiscal years ended June 30, 2009, 2010 and 2011, respectively. There was a large purchase of 384 desktop computers during the fiscal year ended June 30, 2008, and lower expenditures in subsequent years.

PROGRAM REVIEW OF COSTS ALLOCATED TO THE SECOND INJURY FUND:

Section 2-90 of the General Statutes authorizes the Auditors of Public Accounts to examine the operations of state agencies to determine their effectiveness in achieving a legislative purpose. According to Section 31-355 subsection (d), “Any administrative or other costs or expenses incurred by the Attorney General in connection with carrying out the purposes of this section including the hiring of necessary employees shall be paid from the fund.” We reviewed the expenses charged by the Office of the Attorney General (Office) to the Second Injury Fund to determine whether the expenses were tracked and accumulated in a manner that substantiated the charges.

Costs Charged to the Second Injury Fund:

The Second Injury Fund is a state-operated workers’ compensation insurance fund established in 1945 to discourage discrimination against veterans and encourage the assimilation of workers with a pre-existing injury into the workforce. The Second Injury Fund’s operations are funded by assessments on all Connecticut employers and the State Treasurer is the custodian of the fund. The fund does not administer cases on behalf of injured state workers, which is the responsibility of the Department of Administrative Services. The Office of the Attorney General represents the fund in civil and collection matters and charges the full salaries, fringe benefits and other expenses for 13 employees directly to the fund through the state’s accounting system. The charges totaled \$1,879,836 and \$1,956,526 for the fiscal years ended June 30, 2010 and 2011, respectively.

None of the 13 employees worked 100 percent of their time on Second Injury Fund cases, yet all of those employees, plus at least an additional 10 employees provided services ranging from approximately 5 to 70 percent of their time. Since there was no method to track and accumulate the services or a memorandum of understanding that outlined an agreement between the two agencies, it was difficult to verify that the total expenses charged to the fund for the fiscal years ended June 30, 2010, 2011 and 2012, were for work provided on its behalf.

Conclusion:

Subsequent to June 30, 2012, the offices of the Attorney General and the State Treasurer jointly drafted and agreed upon a memorandum of understanding that was signed on September 1, 2012. Considering this, we have no recommendation at this time for corrective action.

CONDITION OF RECORDS

Our review of the financial records uncovered some areas needing disclosures or improvements that are discussed below.

Disposal of Inventory:

Criteria: The State Property Control Manual states that property shall not be destroyed by a state agency unless it is certified for disposition by a duly authorized representative of the State and Federal Distribution Center. Proper internal controls require segregation of duties and updating of inventory records to accurately reflect the additions and deletions that occurred during the fiscal year.

Condition: The Office of the Attorney General disposed of books that were previously recorded on its inventory for \$1,377,585 without obtaining authorization from the distribution center. The Office's inventory records were inaccurate for the fiscal year ended June 30, 2011 as items totaling \$9,373 were included on inventory inappropriately and capital purchases of \$6,296 were miscoded in the state's accounting system as minor equipment. It appears there is inadequate segregation of duties as the annual physical inventory is performed by the person involved with maintaining property records.

Cause: The Office did not follow proper procedures to dispose and account for inventory.

Effect: There is less assurance that inventory is recorded and maintained properly.

Recommendation: The Office of the Attorney General should comply with the Property Control Manual when disposing of inventory items, and should maintain segregation of duties and its inventory records accordingly. (See Recommendation 1.)

Agency Response: "We agree that during the decommissioning of our law library, several outdated sets of law books that had been unsupported for several years were disposed of improperly. Steps have been taken to ensure that all items designated for disposal have proper authorization in place before destruction. We disagree with the statement regarding the segregation of duties. Maintenance of the inventory is a team effort involving three members of the business staff, a Fiscal/Administrative Assistant (Core-CT Role: Agency Asset Physical Inventory Processor) takes the physical inventory by use of an electronic scanner and uploads the scanner data into Core-CT as a readable file. A second employee, a Fiscal/Administrative Officer (Core-CT Role: Agency Asset Processor), then runs the transaction loader which posts the data from the readable file to the Asset Management module in Core-CT.

A third employee, a Storekeeper (Core-CT Role: Agency Financial Asset Processor), then processes any changes or correction in Core-CT. While the FAA may make changes and corrections on the scanner while conducting the physical inventory, he cannot make changes to the data once the scanner data is uploaded as a readable file. At no time is he responsible for the maintenance of the property records in Core-CT. In applying the standards established in the Core-CT Role Handbook, we believe we have established the proper segregation of duties.”

Auditors’ Concluding

Comments: The Office of the Attorney General disagrees with our reporting of a segregation of duties problem, yet it reported the problem on its own internal control self-assessment form for the fiscal year ended June 30, 2010.

Internal Controls over Receivable Accounts:

Criteria: The State Accounting Manual sets forth the procedures to account for receivable amounts and the management of the Office of the Attorney General is responsible for establishing and maintaining effective internal controls. Internal controls would provide for proper documentation of transactions, reconciliation of accounts, timely collection efforts, write-off of uncollectible accounts and accurate reporting to the Office of State Comptroller.

Condition: There were inconsistencies between the recording, reconciling, collecting, monitoring and write-off of the receivables and uncollectible accounts. Receivable amounts reported to the Office of the State Comptroller were inaccurate during the audited period and we were unable to verify whether all court judgments were properly reported. The long-term receivable balance as of June 30, 2011 totals an estimated \$1,627,400. This balance included receivables that were outstanding for up to 24 years.

Cause: Management has not established effective internal controls to manage receivables.

Effect: There is an increased risk that receivables totaling are not accounted for and reported properly.

Recommendation: The Office of the Attorney General should implement effective internal controls for the accounting and reporting of its receivable balances. (See Recommendation 2.)

Agency Response: “We agree in part. We are confident that all receivables were completely accounted for and correctly reported in our report to the Office of the State Comptroller. We agree that there have been inconsistencies in policy and procedure regarding the manner in which we have handled receivables in the past. A new receivables policy has been promulgated that will provide specific guidance to departments regarding appropriate collection efforts and

write-off policy and procedures. The policy includes the procedures for reporting agency receivables to the Business Office. It is anticipated that the newly issued policy and procedures will fully address the auditor's concerns."

Auditors' Concluding

Comments: We did not find any evidence to suggest that the receivables of the Office of the Attorney General were completely accounted for and correctly reported during the audited period.

Access to Core-CT:

Criteria: Adequate segregation of duties should be present between payroll and personnel functions. The Core-CT Change Management Team's Combined Human Resources Management System (HRMS) Role Assessment Handbook emphasizes that agencies should not request that the Agency HR Specialist role be assigned to an employee who has either the Agency Payroll Specialist or Agency Time and Labor Specialist roles. Access to any combination of those roles could allow an individual to hire and pay someone inappropriately and without oversight. The Agency HRMS Security Liaison Role is responsible for monitoring all authorized access to the Core-CT HRMS application assigned to the agency personnel. Access should be granted to employees to complete their work assignments.

A disaster recovery program should be comprehensive in documenting key areas such as the disaster recovery team, guidelines for the immediate aftermath of a disaster, evidence that the plan is tested annually and adequacy of any disaster recovery plan for outsourced services. The Office's records retention schedule should be up-to-date.

Condition: During our review of Core-CT user roles for the Office, we noted inadequate segregation of duties as the payroll and personnel departments are overseen by the same Chief Administrative Officer. There were two instances in which employees were assigned Agency HR Specialist Roles, Agency Timekeeper Specialist Roles, Agency Time and Labor Specialist Roles, and Payroll Specialist Roles. Additionally, unnecessary access was granted to employees that did not require such access to complete their work assignments. The Office relied upon mitigating controls within the business office, which does not appear appropriate.

The Office's disaster recovery plan is insufficient to address key areas of a valid recovery plan, the Office's records retention schedule has not been updated since 2002, and there should be a written plan for managing electronic messages.

Cause: Management overrode automated controls within Core-CT by requesting that certain security access be maintained at its current level. The Office may have believed the disaster recovery plan and records retention schedule was sufficient to meet its needs.

Effect: The risk of impropriety is increased if automated controls are not used and roles are not segregated and monitored. The disaster recovery plan and the records retention schedule may be insufficient to address the Office's needs.

Recommendation: The Office of the Attorney General should segregate duties between payroll and personnel functions, adhere to established controls within Core-CT, prepare an adequate disaster recovery plan, and update its records retention schedule. (See Recommendation 3.)

Agency Response: "We understand the auditor's concern regarding the HRMS roles. The Office of the Attorney General has only three staff with human resources and payroll responsibilities: a Payroll Clerk, a Principal Human Resources Specialist, and the Chief Administrative Officer who supervises these, and many other, functions. Both the PHRS and the CAO have both Agency HR Specialist and Agency Payroll Specialist roles. The PRHS is the primary back-up for payroll and also must enter any payroll changes that directly affect the Payroll Clerk including her bi-weekly attendance. The CAO is the primary back-up for human resources and also must enter any human resources changes that affect the PHRS. The CAO is the secondary back-up for payroll. In a small agency, with even smaller administrative support, these combinations of roles, while not optimal, are necessary to efficient management of our responsibilities. The CAO is kept informed at all times of the work being performed by his staff. Transaction reports are printed for each pay cycle and compared with employee job data to ensure that all transactions are accurate, necessary and appropriate. A senior member of the Business Office staff reviews the reports. We have added a sign off sheet to the report to indicate that the independent review has been completed for each pay period. While we believe that our Disaster Recovery Plan was sufficient to address restoration of our critical functions in case of an emergency, a more detailed Disaster Recovery Plan that has addressed the auditor's concerns has been developed and put into place. The agency records retention schedule has been updated and submitted to the State Public Records Administrator for review and approval. The agency follows General Letter 2009-2 issued by the Public Records Administrator regarding statewide policy for the management and retention of email and other electronic messages."

Auditors' Concluding

Comments: The Office should segregate payroll and personnel duties appropriately instead of relying on additional internal controls that may or may not be effective.

RECOMMENDATIONS

Status of Prior Audit Recommendations:

Our prior audit report on the Office of the Attorney General contained four recommendations, of which three were repeated during our current audit.

- The Office of the Attorney General should implement controls to ensure that assets are appropriately capitalized in its CO-59 forms, which it annually submits to the State Comptroller, if they meet capitalization criteria prescribed by the State Property Control Manual. While the Office did include the omitted item that was reported in our prior audit, we found that inventory was disposed of and other inventory that was not accounted for properly, among other issues. We will restate issues related to inventory in Recommendation 2.
- The Office of the Attorney General should strengthen the communication between the departments responsible for carrying out judgments and the business office to ensure the accurate recording and reporting of receivables. We found similar conditions during this audit and these are included within Recommendation 3.
- The Office of the Attorney General should take the necessary steps to ensure that a complete list of closed review cases, with a summary of activity, is maintained with a tickler file system indicating when cases are approaching the statute of limitations. We noted evidence suggesting that progress was made and we will not repeat this finding.
- A Memorandum of Understanding should be put into place that defines the terms of the agreement between the Office of the Attorney General and the Office of the State Treasurer regarding the Second Injury Fund. Subsequent to June 30, 2012, a Memorandum of Understanding was agreed upon with the State Treasurer. Because of these efforts, this recommendation will not be repeated at this time.

Current Audit Recommendations:

- 1. The Office of the Attorney General should comply with the Property Control Manual when disposing of inventory items, and should maintain segregation of duties and its inventory records accordingly.**

Comment:

Among our other concerns, there was no authority to dispose of assets once valued at \$1,377,585.

- 2. The Office of the Attorney General should implement effective internal controls for the accounting and reporting of its receivable balances.**

Comment:

There is no consistent policy for tracking receivable balances.

- 3. The Office of the Attorney General should adhere to established controls within Core-CT, prepare an adequate disaster recovery plan, and update its records retention schedule.**

Comment:

Automated controls should not be overridden by management.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Office of the Attorney General for the fiscal years ended June 30, 2010 and 2011. This audit was primarily limited to performing tests of the Office's compliance with certain provisions of laws, regulations, contracts and grant agreements and to understanding and evaluating the effectiveness of the Office's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grant agreements applicable to the Office are complied with, (2) the financial transactions of the Office are properly initiated, authorized, recorded, processed, and reported on consistent with management's direction, and (3) the assets of the Office are safeguarded against loss or unauthorized use. The financial statement audits of the Office of the Attorney General for the fiscal years ended June 30, 2010 and 2011, are included as part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Office of the Attorney General complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grant agreements, and to obtain a sufficient understanding of the internal controls to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

Management of the Office of the Attorney General is responsible for establishing and maintaining effective internal control over financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts, and grants. In planning and performing our audit, we considered the Office of the Attorney General's internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the Office's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control over those control objectives. Accordingly, we do not express an opinion on the effectiveness of the Office of the Attorney General's internal control over those control objectives.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct on a timely basis, unauthorized, illegal or irregular transactions, or breakdowns in the safekeeping of any asset or resource. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that noncompliance, which could result in significant unauthorized, illegal, irregular or unsafe transactions and/or material noncompliance with certain provisions of laws, regulations,

contracts, and grant agreements that would be material in relation to the Office's financial operations will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance with requirements was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over the Office's financial operations, safeguarding of assets, or compliance with requirements that we consider to be material weaknesses, as defined above. However, we consider the following deficiencies, described in detail in the accompanying Condition of Records and Recommendations sections of this report, to be significant deficiencies. Recommendation 1 – improper disposal and reporting of inventory items; Recommendation 2 – ineffective internal controls over the tracking of receivables and write-offs; Recommendation 3 – overriding automated controls within the state's accounting system. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Office of the Attorney General complied with laws, regulations, contracts and grant agreements, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Office's financial operations, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Office of the Attorney General's response to the findings identified in our audit is described in the accompanying Condition of Records sections of this report. We did not audit the Office of the Attorney General's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Office management, the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.

CONCLUSION

In conclusion, we wish to express our appreciation for the cooperation and courtesies extended to our representatives by the personnel of the Office of the Attorney General during this examination.

Maura F. Pardo

Maura F. Pardo
Principal Auditor

Approved:



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts