

Audit Report

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**Office of the Attorney General**

July 2011

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**OFFICE OF LEGISLATIVE AUDITS**  
DEPARTMENT OF LEGISLATIVE SERVICES  
MARYLAND GENERAL ASSEMBLY

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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Karl S. Aro  
Executive Director

Bruce A. Myers, CPA  
Legislative Auditor

July 1, 2011

Delegate Guy J. Guzzone, Co-Chair, Joint Audit Committee  
Senator James C. Rosapepe, Co-Chair, Joint Audit Committee  
Members of Joint Audit Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Office of the Attorney General (OAG) for the period beginning March 6, 2008 and ending March 7, 2011. OAG, which is a public office established under the Constitution of Maryland, acts as legal counsel to the governor, the General Assembly, the Judiciary, and State agencies. OAG also enforces antitrust, consumer protection and securities laws, prosecutes Medicaid provider fraud, and monitors residential juvenile facilities.

Our audit did not disclose any findings that warrant mention in this report.

We wish to acknowledge the cooperation extended to us by OAG during the course of this audit.

Respectfully submitted,

Bruce A. Myers, CPA  
Legislative Auditor



## **Background Information**

### **Agency Responsibilities**

The Office of the Attorney General (OAG) is a public office established under the Constitution of Maryland. OAG operates under the provisions of Title 6 of the State Government Article. The Attorney General acts as legal counsel to the Governor, General Assembly, Judiciary, and State agencies, boards, and commissions. OAG represents the State in all legal matters of interest to the State. OAG also reviews legislation passed by the General Assembly for form and legal sufficiency; enforces antitrust, consumer protection, and securities laws; prosecutes Medicaid provider fraud; and monitors residential juvenile facilities. According to the State's records, OAG's expenditures totaled approximately \$27 million (primarily salaries and wages) during fiscal year 2010.

## **Findings and Recommendations**

Our audit did not disclose any significant deficiencies in the design or operation of OAG's internal control. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations. Certain less significant findings were communicated to OAG that did not warrant inclusion in this report.

A draft copy of this report was provided to OAG. Since there are no recommendations in this report, a written response was not necessary.

## **Audit Scope, Objectives, and Methodology**

We have audited the Office of the Attorney General (OAG) for the period beginning March 6, 2008 and ending March 7, 2011. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine OAG's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The areas addressed by the audit included procurements and disbursements, cash receipts, and payroll. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of OAG's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

OAG's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

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