

Audit Report

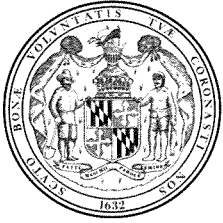
Office of the State Prosecutor

January 2013



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

-
- This report and any related follow-up correspondence are available to the public through the Office of Legislative Audits at 301 West Preston Street, Room 1202, Baltimore, Maryland 21201. The Office may be contacted by telephone at 410-946-5900, 301-970-5900, or 1-877-486-9964.
 - Electronic copies of our audit reports can be viewed or downloaded from our website at <http://www.ola.state.md.us>.
 - Alternate formats may be requested through the Maryland Relay Service at 1-800-735-2258.
 - The Department of Legislative Services – Office of the Executive Director, 90 State Circle, Annapolis, Maryland 21401 can also assist you in obtaining copies of our reports and related correspondence. The Department may be contacted by telephone at 410-946-5400 or 301-970-5400.
-



Karl S. Aro
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Thomas J. Barnickel III, CPA
Legislative Auditor

January 8, 2013

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

Ladies and Gentlemen:

We have audited the Office of the State Prosecutor (OSP) for the period beginning October 8, 2009 and ending September 12, 2012. OSP is an independent agency within the Executive Branch responsible for investigating and, where warranted, prosecuting criminal offenses under the State election laws, public ethics law, and the bribery laws, and certain multi-jurisdictional crimes and criminal offenses committed by a State or local officer or employee.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Thomas J. Barnickel III'.

Thomas J. Barnickel III, CPA
Legislative Auditor

Background Information

Agency Responsibilities

The Office of the State Prosecutor (OSP) is an independent agency within the Executive Branch. OSP investigates and, where warranted, prosecutes criminal offenses under the State election laws and public ethics law, the bribery laws, and offenses constituting criminal malfeasance, misfeasance or nonfeasance in office (when committed by a State or local officer or employee), as well as multi-jurisdictional crimes. OSP conducts these investigations on its own initiative or at the request of the Governor, the Attorney General, the General Assembly, the State Ethics Commission, or a State's Attorney.

According to the State's records, during fiscal year 2012, OSP's expenditures totaled approximately \$1.3 million, of which approximately \$1.1 million were for salaries, wages, and fringe benefits.

Findings and Recommendations

Our audit did not disclose any significant deficiencies in the design or operation of the Office of the State Prosecutor's (OSP) internal control. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations. Less significant findings were communicated to OSP that did not warrant inclusion in this report.

A draft copy of this report was provided to OSP. 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 State Prosecutor (OSP) for the period beginning October 8, 2009 and ending September 12, 2012. 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 OSP's financial transactions, records and internal controls, 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, and payroll. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of OSP'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.

OSP'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

Bekana Edossa, CPA, CFE
Audit Manager

Sandra C. Medeiros
Senior Auditor