



Internal Audit Department

O R A N G E C O U N T Y

AUDIT HIGHLIGHT

JUNE 29, 2012

**SPECIAL REQUEST AUDIT:
SHERIFF-CORONER LAW ENFORCEMENT
SERVICES CONTRACT COST STUDY
FOR FY 2012-13
Audit No. 1158**

WHY IS THIS AUDIT IMPORTANT?

The Sheriff-Coroner proposes costs of \$112 million for Fiscal Year 2012-13 for contract law enforcement services (approximately 16% of Sheriff-Coroner's operations). Currently, contracted law enforcement services are provided to twelve Orange County cities and the Orange County Transportation Authority. The Sheriff-Coroner has a contract proposal with the City of Yorba Linda to provide contract law enforcement services.

The scope of the audit was to determine if the proposed law enforcement services contracts with the twelve Orange County cities and Orange County Transportation Authority (OCTA) and the contract proposal with the City of Yorba Linda for Fiscal Year 2012-13 will recover full costs in accordance with County policies and applicable California Government Code.

We performed this audit at the request of the Audit Oversight Committee (AOC) at their March 15, 2012 meeting. The AOC is especially interested in knowing that the law enforcement services contracts are recovering retirement costs, which includes the unfunded actuarial accrued liability (UAAL).

WHAT THE AUDITORS FOUND?

Successes

Our audit found that the Sheriff-Coroner Law Enforcement Services Contract Cost Study will recover full costs in accordance with County policies and applicable California Government Code for Fiscal Year 2012-13. **Specifically, we noted that retirement costs include the contribution requirements for FY 2012-13 for the Normal Costs and the Unfunded Actuarial Accrued Liability (UAAL). The retirement contribution rate (which includes the UAAL) is adjusted annually based on the results of the actuarial valuation and review that is performed on an annual basis.**

Audit Findings and Recommendations

We identified **two (2) Control Findings** to improve policies and procedures for conducting the law enforcement contract cost study and to ensure full cost recovery of enhanced helicopter responses.