

Office of the Ohio Attorney General
Columbus, Ohio

Schedule of Expenditures of Federal Awards
and
Related Independent Auditor's Reports
In Accordance With Government Auditing
Standards and the Program-Specific Audit
Option Under OMB Circular A-133

For the Year Ended June 30, 2005





**Auditor of State
Betty Montgomery**

Office of the Ohio Attorney General
30 East Broad Street
Columbus, Ohio 43215

We have reviewed the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the Program-Specific Audit Option Under OMB Circular A-133 and the Independent Auditor's Report on the Schedule of Expenditures of Federal Awards of the Office of the Ohio Attorney General, Franklin County, prepared by Kennedy, Cottrell & Associates, LLC for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Office of the Ohio Attorney General is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

December 12, 2005

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OFFICE OF THE OHIO ATTORNEY GENERAL

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE PROGRAM-SPECIFIC
AUDIT OPTION UNDER OMB CIRCULAR A-133**

Office of the Ohio Attorney General
Columbus, Ohio

Compliance

We have audited the compliance of the Office of the Ohio Attorney General (Attorney General) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to the Byrne Formula Grant Program (CFDA 16.579) and the State Medicaid Fraud Control Unit (CFDA 93.775) for the year ended June 30, 2005. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Attorney General's management. Our responsibility is to express an opinion on the Attorney General's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Byrne Formula Grant Program and State Medicaid Fraud Control Unit occurred. An audit includes examining, on a test basis, evidence about the Attorney General's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Attorney General's compliance with those requirements.

In our opinion, the Attorney General complied, in all material respects, with the requirements referred to above that are applicable to the Byrne Formula Grant Program and State Medicaid Fraud Control Unit for the year ended June 30, 2005.

Internal Control over Compliance

The management of the Attorney General is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Attorney General's internal control over compliance with requirements that could have a direct and material effect on the Byrne Formula Grant Program and State Medicaid Fraud Control Unit in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Office of the Ohio Attorney General
Report on Compliance with Requirements applicable to each Major Federal Program
And on Internal Control Over Compliance in Accordance with the Program-Specific
Audit Option Under OMB Circular A-133
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However, we noted certain other matters that we reported to management of the Attorney General in a separate letter dated November 23, 2005.

This report is intended for the information and use of the audit committee, management, State of Ohio Office of the Auditor, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates LLC
Columbus, Ohio
November 23, 2005



INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Office of the Ohio Attorney General
Columbus, Ohio

We have audited the accompanying Schedule of Expenditures of Federal Awards for the Byrne Formula Grant Program (CFDA 16.579) and the State Medicaid Fraud Control Unit (CFDA 93.775) of the Office of the Ohio Attorney General (Attorney General) for the year ended June 30, 2005. This financial statement is the responsibility of the Attorney General's management. Our responsibility is to express an opinion on the financial statement of the programs based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the Schedule of Expenditures of Federal Awards referred to above presents fairly, in all material respects, the expenditures of federal awards under the Byrne Formula Grant Program and State Medicaid Fraud Control Unit on the basis of accounting described in Note 1.

Kennedy, Cottrell + Associates LLC

Kennedy, Cottrell + Associates LLC
Columbus, Ohio
November 23, 2005

OFFICE OF THE OHIO ATTORNEY GENERAL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
MAJOR PROGRAMS		
<u>U.S. Department of Justice</u>		
Pass-through from Ohio Office of Criminal Justice Services		
Byrne Formula Grant Program	16.579	\$ 320,922
<u>U.S. Department of Health and Human Services</u>		
Pass-through from Ohio Department of Job and Family Services		
State Medicaid Fraud Control Unit	93.775	<u>2,456,175</u>
Total Expenditures of Federal Awards		<u><u>\$ 2,777,097</u></u>

See Independent Auditor's Report and Note to the Schedule of Expenditures of Federal Awards

OFFICE OF THE OHIO ATTORNEY GENERAL

**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 1 – BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Office of the Ohio Attorney General and is presented on the cash basis of accounting, and accordingly, represents the total cash expended for the Byrne Formula Grant Program and the State Medicaid Fraud Control Unit. It does not include transactions that might be included using the accrual basis of accounting contemplated by accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*.

OFFICE OF THE OHIO ATTORNEY GENERAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505
JUNE 30, 2005

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified.
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Not applicable.
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Not applicable.
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Not applicable.
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a) of Circular A-133?	No
(d)(1)(vii)	Major Programs (list):	CFDA 16.579 – Byrne Formula Grant Program CFDA 93.775 – Medicaid Fraud Control Unit
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Not applicable.
(d)(1)(ix)	Low Risk Auditee?	Not applicable.

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Not applicable.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OFFICE OF THE OHIO ATTORNEY GENERAL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2005

<u>Finding Number</u>	<u>Status</u>
2004-1	Corrected.
2004-2	Partially Corrected. Immaterial instances of noncompliance were reported to management in a separate letter.
2004-3	Corrected.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**OFFICE OF THE OHIO ATTORNEY GENERAL
FRANKLIN COUNTY**

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 27, 2005**