WHY IS THIS AUDIT IMPORTANT?
The County of Orange Retiree Medical Plan assists eligible Orange County (OC) retired employees, retired employees of other public agencies that participate in the Plan, and their spouses and dependents, in maintaining health coverage after retirement. During the period July 4, 2008 through December 4, 2008, the County contributed $18,460,729 to the Trust established for the Retiree Medical Plan.

WHAT WE FOUND?
Accomplishments and Successes
In order to determine if the County was properly funding the Retiree Medical Plan for FY 2008-2009, we audited certain records and documents for the period July 1, 2008 through January 31, 2009. We found the methodologies to calculate the budgeted and revised Annual Required Contribution (ARC) amounts and rates, and the implementation of the ARC rates into the Auditor-Controller Payroll System for calculation of the contributions, appeared to be appropriate and accurate. We determined the County is properly funding the Retiree Medical Plan for FY 2008-2009.

Audit Findings and Control Recommendations
We identified one (1) Significant Issue and four (4) Control Findings to enhance existing controls and processes over the administration of the Retiree Medical Trust in the following areas: reconciliations and interest recorded; timeliness in reconciling and recording financial information; documented supervisory reviews; and written procedures. The County Executive Office agreed with five findings and recommendations and is working to implement corrective actions.

(SEE COMPLETE AUDIT REPORT FOR DETAIL)