



**Beth A. Wood, CPA**  
State Auditor

STATE OF NORTH CAROLINA  
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April 2, 2014

The Honorable Pat McCrory, Governor  
The Honorable Thom Tillis, Speaker of the House  
The Honorable Phil Berger, President Pro Tempore  
Mr. George R. Hausen, Jr., Executive Director, Legal Aid of North Carolina, Inc.

This letter presents the results of our financial related audit of the Legal Aid of North Carolina, Inc. (Legal Aid).

The objective of this audit was to determine if State funds were used in the Farmworker Legal Aid Program or were used to provide any legal assistance to any agricultural or migrant farmworker with regard to terms of the worker's employment, including conditions relating to housing.

Auditors determined that no State grant moneys were used for these purposes. Our conclusion was based on analysis of legal case files. The scope of this audit was the \$4.6 million of State grant moneys received by Legal Aid in fiscal year 2010.

Section 15.18 of House Bill 200, passed by the NC General Assembly on June 15, 2011, required the Office of the State Auditor (OSA) to audit the Farmworker Legal Aid Program (Farmworker Program) of Legal Aid, Inc. to determine if State grant moneys were used in the administration and operation of the Farmworker Program. In that audit, issued in September 2011, OSA determined that the only expenditures made within the Farmworker Program came from Federal sources.

This audit expands on the scope of the prior audit and includes all State grant dollars (\$4.6 million) received by the organization in FY 2010, not just the Farmworker Program, and is more aligned with the original legislative intent.

We conducted this audit in accordance with generally accepted government auditing standards applicable to performance audits. 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.

To accomplish our audit objective, we gained an understanding of internal control over matters described below and evaluated the design of the internal control. We then performed further

audit procedures consisting of tests of control effectiveness and/or substantive procedures that may reveal significant deficiencies in internal control. Specifically, we performed procedures such as interviewing personnel, observing operations, reviewing policies, analyzing accounting records, and examining documentation supporting recorded transactions and balances.

If you have any questions, please do not hesitate to contact my office.

Legal Aid declined to provide comments to this letter due to the nature of the finding.

Best regards,

A handwritten signature in cursive script that reads "Beth A. Wood".

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