



# Orange County Auditor-Controller Internal Audit



## First and Final Close-Out Follow-Up Audit of Probation Department Internal Controls Over Juvenile Records and Accounts

As of April 30, 2017

Audit Number 1621 (Reference 1567-F1)

Report Date: May 30, 2017



O R A N G E C O U N T Y  
**AUDITOR-CONTROLLER**  
I N T E R N A L A U D I T

**Eric H. Woolery, CPA**  
**Orange County Auditor-Controller**

<b>Toni Smart, CPA</b>	<b>Director, Internal Audit</b>
<b>Scott Suzuki, CPA, CIA, CISA</b>	<b>Assistant Director</b>
<b>Carol Swe, CPA, CIA, CISA</b>	<b>Senior Audit Manager</b>
<b>Scott Kim, CPA</b>	<b>Audit Manager</b>

**12 Civic Center Plaza, Room 200**  
**Santa Ana, CA 92701**

Auditor-Controller Web Site  
[www.ac.ocgov.com](http://www.ac.ocgov.com)



**ERIC H. WOOLERY, CPA**  
AUDITOR-CONTROLLER



**Transmittal Letter**

**Audit No. 1621**  
**(Reference 1567-F1)**

**May 30, 2017**

**TO:** Steven J. Sentman, Chief Probation Officer  
Probation Department

**SUBJECT:** First and Final Close-Out Follow-Up Audit of Probation Department  
Internal Controls Over Juvenile Records and Accounts  
Original Audit No. 1567, Issued February 24, 2016

We have completed our First and Final Close-Out Follow-Up Audit of Probation Department Internal Controls over Juvenile Records and Accounts as of April 30, 2017. Our final report is attached for your review.

I submit an **Audit Status Report** quarterly to the Audit Oversight Committee (AOC) and a quarterly report to the Board of Supervisors (BOS) where I detail any critical and significant audit findings released in reports during the prior quarter and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this Follow-Up Audit will be included in future status reports to the AOC and BOS.

A handwritten signature in blue ink, appearing to read "Toni Smart".

Toni Smart, CPA, Director  
Auditor-Controller Internal Audit Division

**Attachments**

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Eric H. Woolery, Auditor-Controller
- Frank Kim, County Executive Officer
- Lilly Simmering, Deputy Chief Operating Officer
- Bryan Prieto, Chief Deputy Probation Officer
- Dana Schultz, Director, Administrative and Fiscal Division, Probation Department
- Franco Cheuk, Information Technology Division, Probation Department
- Jon Humann, Accounting & Financial Unit Manager, Probation/Administrative & Fiscal Division
- Armond Nazaar, Accounting Manager, Probation/Administrative & Fiscal Division
- Robin Stieler, Clerk of the Board of Supervisors
- Macias Gini & O'Connell LLP, County External Auditor



# Table of Contents

---

***First and Final Close-Out Follow-Up Audit of Probation Department  
Internal Controls Over Juvenile Records and Accounts  
Audit No. 1621 (Reference 1567-F1)***

As of April 30, 2017

<b>Transmittal Letter</b>	<b>i</b>
<b>Internal Auditor's Report</b>	
<b>SCOPE</b>	<b>1</b>
<b>BACKGROUND</b>	<b>1</b>
<b>RESULTS</b>	<b>1</b>

---



# Internal Auditor's Report

**Audit No. 1621  
(Reference 1567-F1)**

**May 30, 2017**

TO: Steven J. Sentman, Chief Probation Officer  
Probation Department

FROM: Toni Smart, CPA, Director  
Auditor-Controller Internal Audit Division

SUBJECT: First and Final Close-Out Follow-Up Audit of Probation Department  
Internal Controls Over Juvenile Record and Accounts  
Original Audit No. 1567, Issued February 24, 2016

## SCOPE

We completed a First and Final Close-Out Follow-Up Audit of Probation Department Internal Controls Over Juvenile Records and Accounts. Our audit was limited to reviewing actions taken, as of April 30, 2017, to implement the **two (2) recommendations** from our original audit.

## BACKGROUND

In accordance with Chapter 2, Section 275(b) of the Welfare and Institutions Code, we conducted the original audit of the Orange County Probation Department (Probation) juvenile records and accounts for the two fiscal years ended June 30, 2015. Our original audit identified **one (1) significant control weakness** and **one (1) Control Finding**.

## RESULTS

Our First Follow-Up Audit found that Probation **implemented one (1) recommendation**, and we considered the **remaining recommendation closed** for the purpose of follow-up of the original audit. Because the recommendations were implemented/closed, **this report represents the final close-out of the original audit**.

Based on our First Follow-Up Audit, the following is the implementation status of the two (2) original recommendations:

### **Finding No. 1 – IPFS Set-up of Two Juvenile Cases was not Timely (Control Finding)**

**Recommendation No. 1:** Probation ensure that juvenile cases are input into IPFS timely.

Current Status: **Implemented.** Our First Follow-up Audit found that Probation has taken appropriate steps to ensure juvenile cases are input timely into the Integrated Probation Financial System (IPFS). Per discussion with Probation management, occasional delays in input of cases into IPFS may stem from delays in receiving complete documentation from the court. To improve the completeness and timeliness of information received from the court, Probation is currently working with court personnel to develop a process to get all minute orders to Probation within three to five days of the hearing, with exceptions being noted by the court. Further, Probation will begin to maintain records and document when complete information is received. Because of the actions taken by Probation, we consider the recommendation implemented.



# Internal Auditor's Report

---

## Finding No. 2 – IPFS User with Conflicting Roles (Significant Control Weakness)

**Recommendation No. 2:** Probation management ensure that no user has both operational and systems programmer roles so that conflicting roles can be appropriately segregated.

**Current Status: Closed.** Our First Follow-up Audit found that Probation has implemented a procedure to grant temporary access rights to IPFS based on appropriate business need; however, evidence is not maintained in the form of audit logs or support tickets for granting and removing temporary access rights. In addition, our review noted one operational manager that was granted conflicting systems roles.

Probation management agreed that staff should not have both systems and operational user roles. Probation management is currently working with OCIT to merge Probation IT staff into OCIT Shared Services. We were informed that Probation management will work with OCIT to limit user access to help ensure conflicting roles are segregated where possible.

Since the Probation IT function is currently in transition, we consider this recommendation closed for the purpose of this follow-up audit. Implementation of IPFS user role segregation will be dispositioned in the upcoming biennial audit scheduled for the two years ending June 30, 2017.

We appreciate the assistance extended to us by the personnel of the Probation Department during our Follow-Up Audit. If you have any questions, please contact me directly at (714) 834-5442 or Carol Swe, Senior Audit Manager at (714) 834-5082.