



Frank Davies, CPA  
Orange County Auditor-Controller



Audit of Probation Department Juvenile Books and Accounts  
For the Two Years Ended June 30, 2021

Audit Manager: Michael Steinhaus, CPA, CISA, CGMA  
Auditor II: John Lim

Internal Audit

Audit Number 2117  
Report Date: January 13, 2022



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

**FRANK DAVIES, CPA**  
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2117

January 13, 2022

TO: The Honorable Erick L. Larsh  
Presiding Judge of the Superior Court of California  
County of Orange

SUBJECT: Audit of Probation Department Juvenile Books and Accounts  
For the Two Years Ended June 30, 2021

We have completed our audit of the Orange County Probation Department's juvenile books and accounts for the two years ended June 30, 2021, as required by Section 275 of the Welfare and Institutions Code. Enclosed is a copy of the report.

We appreciate the assistance extended to us by the personnel of the Probation Department during the audit. If you have any questions please contact me at 714-834-2450 or Michael Steinhaus, Audit Manager, at 714-834-6106.

Frank Davies, CPA  
Auditor-Controller

Other recipients of this report:

Members, Board of Supervisors  
Members, Audit Oversight Committee  
Frank Kim, County Executive Officer  
Steven J. Sentman, Chief Probation Officer  
Bryan Prieto, Assistant Chief Probation Officer  
Todd Graham, Chief Deputy Probation Officer  
Dana Schultz, Director, Administrative and Fiscal Division, Probation  
Jon Humann, Accounting and Financial Unit Manager, Probation  
Salvador Lopez, Chief Deputy Auditor-Controller  
Michael Steinhaus, Audit Manager, Auditor-Controller  
Robin Stieler, Clerk of the Board of Supervisors  
Foreperson, Grand Jury



# Internal Auditor's Report

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The Honorable Erick L. Larsh  
Presiding Judge of the Superior Court of California  
Orange County

We have completed our audit of the Orange County Probation Department's (Probation) juvenile books and accounts for the two years ended June 30, 2021, as required by Section 275 of the Welfare and Institutions Code (WIC). Our audit included an evaluation of Probation's internal control over its books and accounts relating to receipts, disbursements, and case file management of juvenile cases. Our audit was performed in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the International Internal Audit Standards Board. We believe that our audit provides a reasonable basis for our conclusion.

Probation's management is responsible for establishing and maintaining a system of internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and transactions are executed in accordance with management's authorization and are recorded properly. County Accounting Procedure S-2 – Internal Control Systems – prescribes the policies and standards to be followed by departments/agencies in establishing and maintaining internal control systems in their operations and administrative activities and self-assessment of control risk.

Because of the inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. Our audit, performed for the limited purpose described above, would not necessarily disclose all material weaknesses in Probation's operating procedures, accounting practices, and compliance with County policy as they relate to internal control over Probation's juvenile books and accounts.

Based on our audit, Probation's internal control over its books and accounts relating to receipts, disbursements, and case file management of juvenile cases is adequate and effective to ensure compliance with WIC Section 275.

A handwritten signature in blue ink, appearing to read "Frank Davies".

Frank Davies, CPA  
Auditor-Controller  
January 13, 2022



# Internal Auditor's Report

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## **OBJECTIVES**

The Auditor-Controller Internal Audit unit conducted an audit of Probation's juvenile books and accounts to evaluate the adequacy and effectiveness of internal control to ensure compliance with WIC Section 275.

## **SCOPE**

Our audit focused on Probation's internal control over receipts, disbursements, and case file management for the two years ended June 30, 2021. WIC Section 275 requires an audit of the books and accounts relating to juvenile cases only; therefore, we limited our audit to include only juvenile cases and related issues. Our audit did not include a review of information systems or system controls used in the process.

## **BACKGROUND**

As a public safety agency, Probation serves the community using efficient and research supported correction practices to: reduce crime, assist the courts in managing offenders, promote lawful and productive lifestyles, and assist victims. Probation is headed by the Chief Probation Officer and employs approximately 1,100 individuals. The department also utilizes the services of volunteers who play a very important role in helping to reduce crime. Probation Officers actively supervise approximately 14,000 adult and juvenile offenders.

The Juvenile Operations Bureau within Probation provides oversight and direction over Juvenile Facilities (Juvenile Hall and two camp/ranch facilities for juvenile offenders), Juvenile Field Supervision and Juvenile Court Services. Probation has the fiduciary responsibility for a variety of monies, including monies for fines, fees, penalty assessments, and restitution to victims. Restitution to the victims is the main focus of Probation's collection efforts. Probation maintains funds used for the collection and disbursement of monies. Probation administers a number of programs funded through various State and Federal funding streams.

## **CONCLUSION**

Based on our audit, Probation's internal control over its books and accounts relating to receipts, disbursements, and case file management of juvenile cases is adequate and effective to ensure compliance with WIC Section 275. No reportable issues were noted during the performance of the audit.