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

As of April 30, 2017
Eric H. Woolery, CPA
Orange County Auditor-Controller

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Auditor-Controller Web Site
www.ac.ocgov.com
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.

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
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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 Records 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.
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.