



# Orange County Auditor-Controller Internal Audit



Audit of Probation Department  
Juvenile Books and Accounts

For the Two Fiscal Years  
Ended June 30, 2017

Audit Number 1724  
Report Date: February 6, 2018



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**

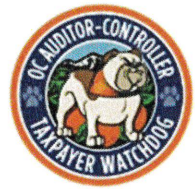
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**ERIC H. WOOLERY, CPA**  
AUDITOR-CONTROLLER



**Transmittal Letter**

**Audit No. 1724**

**February 6, 2018**

**TO:** The Honorable Charles Margines  
Presiding Judge of the Superior Court of California  
County of Orange

**SUBJECT:** Audit of Probation Department Juvenile Books and Accounts  
For the Two Fiscal Years Ended June 30, 2017

We have completed our audit of the Probation Department's juvenile books and accounts for the two fiscal years ended June 30, 2017, as required by Chapter 2, Section 275(b) of the Welfare and Institutions Code (WIC). Enclosed is a copy of the report.

An **Audit Status Report** is submitted quarterly to the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS) detailing 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 audit will be included in a future status report to the AOC and BOS.

Additionally, we will be sending a **Customer Survey** of Audit Services to the Probation Department shortly after the distribution of this report.

A handwritten signature in blue ink that reads "Eric H. Woolery".

Eric H. Woolery, CPA  
Auditor-Controller

**Attachments**

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, Chief Deputy Probation Officer
- Dana Schultz, Director, Administrative and Fiscal Division, Probation
- Jon Humann, Accounting & Financial Unit Manager, Probation
- Armond Nazaar, Accounting Manager, Probation
- Robin Stieler, Clerk of the Board of Supervisors
- Foreperson, Grand Jury



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# Internal Auditor's Report

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February 6, 2018

The Honorable Charles Margines  
Presiding Judge of the Superior Court of California  
County of Orange

We have completed our audit of the Probation Department's (Probation) juvenile books and accounts for the two fiscal years ended June 30, 2017, as required by Chapter 2, Section 275(b) of the Welfare and Institutions Code (WIC). Our audit included an evaluation of Probation's internal control and processes relating to receipts, disbursements and case file management of juvenile probation 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 opinion.

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 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. This audit enhances but does not substitute for Probation's continuing emphasis on control activities and self-assessment of control risk.

Because of 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 the internal control over Probation's 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 are generally adequate and effective to ensure management's goals and objectives are accomplished in accordance with WIC Section 275(b).

We appreciate the courtesy and cooperation extended to us by the personnel of the Probation Department during our audit. If you have any questions regarding our audit, please contact me at (714) 834-2456 or Nancy Ishida, Senior Audit Manager, at (714) 796-8067.

A handwritten signature in blue ink that reads "E-H. Woolery".

Eric H. Woolery, CPA  
Auditor-Controller



# Internal Auditor's Report

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## **OBJECTIVES**

The Auditor-Controller Internal Audit Division conducted an audit of the Orange County Probation Department's (Probation) books and accounts relating to receipts, disbursements, and case file management of juvenile cases for the purpose of evaluating the adequacy and effectiveness of internal control and processes to ensure management is accomplishing its business goals and objectives in accordance with WIC Section 275(b).

## **BACKGROUND**

As a public safety agency, Probation serves the community using efficient and research-supported corrections 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 1,300 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. Probation operates Orange County Juvenile Hall, and three camps for juvenile offenders.

Probation has the fiduciary responsibility for a variety of monies, including monies for fines, fees, penalty assessments, restitution to victims, and charges for services provided. Probation maintains funds used for the collection and disbursement of monies. Probation also administers a number of federal and state grant programs.

## **SCOPE AND METHODOLOGY**

Our audit focused on Probation's internal control and processes over receipts and disbursements and was limited to the two fiscal years ended June 30, 2017. WIC Section 275(b) requires an audit of the books and accounts relating to juvenile cases only; therefore, we limited our audit to include juvenile cases and related issues. Our methodology included inquiry, observation and testing of pertinent documentation for the purpose of assessing the adequacy and effectiveness of Probation's internal control and processes. Our audit did not include a review of information systems or system controls used in the process.

## **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 are adequate and effective to ensure management's goals and objectives are accomplished in accordance with WIC Section 275(b). No reportable issues were noted during the performance of the audit.