



Andrew N. Hamilton, CPA Orange County Auditor-Controller



Audit of Probation Department Juvenile Books and Accounts
For the Two Years Ended June 30, 2023

Audit Manager: Michael Steinhaus
Auditor II: John C. Lim, CIA

Audit Number 2318
Report Date: January 8, 2024

Internal Audit



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

ANDREW N. HAMILTON, CPA
AUDITOR-CONTROLLER

DATE: January 8, 2024

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

FROM: Michael Steinhaus, Audit Manager

SUBJECT: Audit of Probation's Juvenile Books and Accounts
for the Two Years Ended June 30, 2023

Pursuant to WIC Section 275, we have audited the Orange County Probation Department's juvenile books and accounts for the two years ended June 30, 2023. Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Probation Department during this engagement. If you have any questions please contact me at 714-834-6106.

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Daniel Hernandez, Chief Probation Officer
- Tawnya Medina, Chief Deputy Probation Officer
- Salvador Lopez, Chief Deputy Auditor-Controller
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor

Internal Auditor's Report

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

We have completed our audit of the Orange County Probation Department's (Probation) juvenile books and accounts for the two years ended June 30, 2023, as required by WIC Section 275. 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 Manual Procedure S-2 – Internal Control Systems – prescribes the policies and standards to be followed by departments 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.



Michael Steinhaus
Audit Manager
January 8, 2024

Internal Auditor's Report

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, 2023. 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 system controls.

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 of Juvenile Hall and two juvenile camp/ranch facilities – Youth Guidance Center (YGC) and Youth Leadership Academy (YLA). Additionally, this bureau provides services through two distinct operational divisions - Juvenile 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.