ORANGE COUNTY

AUDITOR-CONTROLLER

INTERNAL AUDIT

INITIAL FOLLOW-UP AUDIT OF THE AUDIT OF PROBATION DEPARTMENT INTERNAL CONTROLS OVER JUVEILE RECORDS AND ACCOUNTS

For the Fiscal Years Ending June 30, 2008 and June 30, 2009

Audit Number 1057
Report Date: September 23, 2011

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INTERNAL AUDIT

Orange County Auditor-Controller

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Follow-up Audit of the Audit of Probation Department Internal Controls over Juvenile Records and Accounts For the Fiscal Years Ending June 30, 2008 and June 30, 2009

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Internal Auditor's Report

Audit No. 1057

September 23, 2011

TO: Steven J. Sentman, Chief Probation Officer

SUBJECT: Follow-up Audit of the Audit of Probation Department Internal Controls over Juvenile Records and Accounts for the Fiscal Years Ending June 30, 2008 and June 30, 2009

We have completed an initial Follow-up Audit of the Audit of Probation Department Internal Controls over Juvenile Records and Accounts for the Fiscal Years Ending June 30, 2008 and June 30, 2009 (Probation Audit) (Audit No. 1030), dated March 3, 2010.

The original audit report contained 16 recommendations. Our follow-up review indicated 14 recommendations have been fully implemented, and two recommendations are in process.

We believe the two remaining recommendations are still appropriate and further efforts should be made to fully implement them. The recommendations that have not been fully implemented are noted below along with a comment on the current status. The finding number from the Probation Audit No. 1030 is shown in parentheses after each heading.

1. Unallocated Vending Machine Revenue (No. 5 – Control Deficiency)

Recommendation No. 5: We recommend that County Procurement provide the Auditor-Controller's Office with allocation instructions for Probation's share of unallocated vending machine commissions.

Current Status: **In Process.** In November 2010, County Procurement informed us that they have calculated the unallocated vending machine commissions owed to Probation for the period of July 2007 to October 2007 to be $4,354. However, the funds have yet to be transferred to Probation. In August 2011, County Procurement informed us that CEO Budget will submit a 1st Quarter Budget Report to the Board of Supervisors for approval. Once approved by the Board, a journal voucher can be processed in November 2011 to transfer the revenue.

Rick Dostal, Executive Director, Sheriff-Coroner Administrative Services
Jane Reyes, Director, Sheriff-Coroner Fiscal Services
Darlene J. Bloom, Clerk of the Board of Supervisors
Foreperson, Grand Jury

Appendix A: Report Item Classification (from Probation Audit No. 1030)

For purposes of reporting our audit observations and recommendations, we have classified audit report items into three distinct categories:

Control Deficiency

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect, or correct errors in assertions made by management on a timely basis.

Significant Deficiency

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria or framework such that there is more than a remote likelihood that a misstatement of the subject matter that is more than inconsequential will not be prevented or detected by the entity's internal controls.

Material Weakness

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the subject matter will not be prevented or detected by the entity's internal control.