

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

436



FROM: County Auditor-Controller

SUBMITTAL DATE:
June 19, 2006

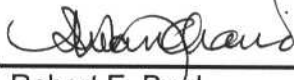
SUBJECT: Internal Auditor's Report #2005-014 – District Attorney's Office

RECOMMENDED MOTION: Receive and file Internal Auditor's Report #2005-014 – District Attorney's Office.

BACKGROUND: The Auditor-Controller completed an audit of the District Attorney's Office. Our primary objective was to determine the existence and adequacy of internal controls over the department's processes and fiscal procedures.

Based upon the results of our audit, we determined the department had an adequate system of internal controls over the payroll and purchasing processes that ensured the accuracy and reliability of related financial records and reports. However, weaknesses in controls over the cash handling process were identified. In addition, we determined the department has inadequate controls in place to effectively safeguard the department's fixed assets.

Management concurred with Findings 2 & 3 and indicated corrective action will be taken; however, they did not concur with our recommendation to Finding 1 – Requirement of Daily Deposits. They offered an alternative course of action which we consider sufficient to mitigate the finding. We will follow-up within one year to verify that management implemented the corrective action indicated.

for 
Robert E. Byrd
County Auditor-Controller

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: RECEIVE & FILE

County Executive Office Signature 

- Dep't Recomm.: Policy
- Per Exec. Ofc.: Consent
- Policy
- Consent

Prev. Agn. Ref.: | **District:** | **Agenda Number:** 2.6

RECEIVED JUN 21 2006
COUNTY OF RIVERSIDE



County of Riverside

INTERNAL AUDITOR'S REPORT

Riverside County District Attorney's Office

June 19, 2006

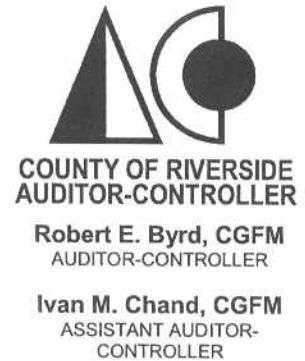
Office of
Robert E. Byrd, CGFM
County Auditor-Controller

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COUNTY AUDITOR-CONTROLLER

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COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER

Robert E. Byrd, CGFM
AUDITOR-CONTROLLER

Ivan M. Chand, CGFM
ASSISTANT AUDITOR-
CONTROLLER

June 19, 2006

Mr. Grover Trask, District Attorney
Riverside County District Attorney's Office
4075 Main Street
Riverside, CA 92501

Subject: Internal Auditor's Report #2005-014 – Riverside County District Attorney's Office

Dear Mr. Trask:

We have completed an audit of the Riverside County District Attorney's Office. We conducted the audit during the period July 2005 through October 2005, for operations of July 1, 2003 through October 31, 2005.

Our purpose was to provide management and the Board of Supervisors with an independent assessment about the adequacy of internal controls over the department's processes and fiscal procedures.

We conducted our audit in accordance with the auditing standards established by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide sufficient, competent, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusions.

Based upon the results of our audit, we determined the department had an adequate system of internal controls over the payroll and purchasing processes that ensured the accuracy and reliability of related financial records and reports. However, weaknesses in controls over the cash handling process were identified. In addition, we determined the department has inadequate controls in place to effectively safeguard the department's fixed assets. Throughout the audit, we discussed the results contained in this report, as well as comments and suggestions of lesser significance, with the appropriate level of management.

We thank the department's management and staff for their cooperation during the audit. Their assistance contributed significantly to the successful completion of the audit.

Robert E. Byrd, CGFM
County Auditor-Controller

A handwritten signature in black ink, appearing to read 'M. G. Alexander', with a long horizontal stroke extending to the right.

By: Michael G. Alexander, MBA, CIA
Chief Internal Auditor

cc: Board of Supervisors
County Counsel
Executive Office
Grand Jury

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Executive Summary

Overview

The Riverside County District Attorney's Office is the 5th largest District Attorney's office in California and the 16th largest in the nation. The 180 prosecutors and 320 support personnel serve the citizens of the county in six branch offices throughout the county – from Temecula in the southwest to Blythe on the Colorado River.

The Riverside County District Attorney's stated mission is to prosecute both criminal and civil cases, ensuring that justice is done and the rights of all are safeguarded. The office also works with every component of the criminal justice system and the entire community to protect the innocent, to convict and appropriately punish the guilty, and to protect the rights of victims and witnesses. The District Attorney also uses family support enforcement actions to ensure that both parents share the obligation to support their children.

The Riverside County District Attorney's Office administers a \$57 million budget comprised of funds from federal, state and county sources.

Overall Objective

Our primary audit objective was to determine the existence and adequacy of internal controls over the department's processes and fiscal procedures in the following areas:

- Cash Handling
- Fixed Assets
- Payroll
- Purchasing

Overall Conclusion

Based upon the results of our audit, we determined the department had an adequate system of internal controls over the payroll and purchasing processes that ensured the accuracy and reliability of related financial records and reports. However, weaknesses in controls over the cash handling process were identified. In addition, we determined the department had inadequate controls in place to effectively safeguard the department's fixed assets.

Details about our audit methodology, results, findings and recommendations are provided in the body of our report.

Objectives

To determine:

- the existence and adequacy of internal controls over the cash handling, fixed assets, payroll and purchasing processes; and,
- the reliability and validity of selected financial records and transactions.

Methodology

To accomplish our objectives, we:

- performed a financial analysis for the period of July 1, 2003 through June 30, 2005;
- identified accounts for detailed testing;
- conducted interviews and performed walk-throughs with department personnel;
- completed narratives and flowcharts of various processes;
- performed a risk assessment of various processes within the department;
- conducted operational reviews and observations;
- identified and reviewed applicable policies and procedures, Board ordinances, laws, codes, and regulations;
- verified receipts were properly safeguarded prior to deposit, deposited in a timely manner, properly maintained, monitored and recorded;
- reviewed and performed detailed testing of the department's acquisition, monitoring and disposal process of capitalized assets; and,
- reviewed department's claims, purchasing, receiving, payables and payroll processes.

Results

Cash Handling

The District Attorney's Office receives funds from federal, state, county and local sources mainly by mail at the administration office located at 3403 10th Street, Riverside. Cash receipts are also collected at six different branch offices of the District Attorney's Office, including: Banning, Blythe, Indio, Riverside, the Juvenile Office, and the Southwest Office. The branch offices forward all cash receipts to the administration office via interoffice mail. The receipts are immediately logged into a Microsoft excel spreadsheet identifying the date received, sender, check number, check amount and date issued. Copies of all checks and money orders are prepared along with a calculator tape listing all the payments received. All cash, checks and money orders are forwarded to the Accounting Technician I to prepare the daily deposit to the Treasurer's office.

We noted the cash handling process at the administration office followed good internal control procedures where cash collections were restricted to the main office in Riverside. Receipts were stored in locked cabinets or safes with limited access, checks were restrictively endorsed upon receipt and cash receipts were reconciled daily with the deposit report and supporting documentation. Transfer of receipts from one employee to another was evidenced by written documentation to establish proper accountability. Procedures existed to ensure collections were recorded accurately and promptly with management's review. However, cash collections at the outlying branch offices are not delivered daily or in a timely manner to the administration office for processing.

Finding 1

Cash collections at the outlying branch offices were not delivered to the Riverside administration office for daily deposit in accordance with Board of Supervisors' Policy A-25 and Standard Practice Manual (SPM) No. 705, Paragraph 2. Twenty of seventy-one cash receipts tested were not deposited in a timely manner. The late deposits from the Indio, Riverside and Southwest Offices were deposited between eight to thirty-six days after collection. Fourteen of the twenty late cash receipts that were not deposited in a timely manner were deposited to the County Treasurer's Office in ten or more days, equaling \$695.04. Although the amount of lost interest is minimal, collections retained longer than necessary are more vulnerable to loss, misappropriations and theft.

Recommendation 1

All outlying branch offices should make daily deposits of any collections, in accordance with Board of Supervisors' Policy A-25 and the Auditor-Controller's Standard Practice Manual 705, Paragraph 2.

Management's Reply Disagree. The District Attorney's Office has submitted to the Auditor-Controller's Office SMF Form AR-6 – Daily Cash Deposits Exemption Request form. Due to the insignificant amount of funds collected at the various offices it would not be cost effective to process daily deposits. The District Attorney's Office is awaiting approval from the Auditor-Controller's Office to be exempt from daily deposits.

As of 12/15/05, all District Attorney Offices that receive funds are keeping a log of the money received.

Auditor's Comment Although the Department disagrees with the recommendation, we are satisfied with the corrective action taken.

Results

Fixed Assets

Asset purchases are budgeted and approved by the Board of Supervisors. Purchases greater than \$10,000 are processed through the County's Purchasing Department utilizing the bid process. All requisitions for assets are verified and approved by someone other than the person preparing the purchase order.

Management of each department in the County of Riverside is responsible to account for County property in his/her possession or charge. This responsibility should include performance of an annual inventory and established controls over the acquiring, monitoring, and disposal of capital and non-capitalized assets.

Effective July 1, 1994, the Auditor-Controller eliminated general ledger accountability for assets valued at less than \$5,000. Many valuable and highly desirable equipment items, such as personal computers, printers and FAX machines, no longer appear on the Auditor-Controller's fixed asset lists. However, management of each department in the County of Riverside should identify all such desirable, pilferable items and establish departmental policy and procedures to control these items. The minimum control should include a receipting system whereby each item is signed for by the person having custody. Additionally, reasonable controls should be established to physically secure the items.

The Auditor-Controller's Office Standard Practice Manual Policy 913, Capitalization Thresholds, Asset Management, was recently revised effective December 12, 2005. The purpose of this policy is to provide guidance in the definition of terms, concepts, and thresholds for the capitalization of assets. It also states that all entities are strongly encouraged to use the PeopleSoft Asset Management Module to manage and maintain all non-capitalized assets.

Finding 2

Records were not appropriately updated when capitalized assets were transferred in or out of the District Attorney's Office. Specifically, eight of forty-seven capitalized assets tested appeared on the department's fixed asset list but could not be located nor could the disposition of these assets be confirmed. All eight capitalized assets were laptops purchased in fiscal year 1999-00. Per discussions with management, the department has performed a full investigation in regards to locating the missing assets. With no success, the department has decided to submit a Capital Asset Disposition SPM Form AM-7 to the Auditor-Controller's Office to dispose of the 24 assets that are considered missing. The eight laptop computers that could not be located during the testing phase of the audit are included in the Capital Asset Disposition SPM Form AM-7.

Standard Practice Manual III-E-2-1.1 requires departments to notify the Auditor-Controller's Office of each acquisition, betterment, modification, disposal, transfer or change to fixed assets within 30 days. The absence of internal controls over the monitoring, including the acquisition and disposal process of fixed assets could result in theft, loss or misrepresentation.

Recommendation 2.1 Notify the Auditor-Controller's Office within 30 days of each modification disposal, transfer, or change to fixed assets.

Management's Reply Concur. The District Attorney's Office will notify the Auditor-Controller's Office within 30 days of each modification, disposal, transfer, or change to fixed assets. We will submit form AM-6 CapAssetTransfer for intra-departmental location changes, to better track the assets. The Technical Support Unit (TSU) will submit all surplus forms to the Accountant, who will determine if any items are Capital Assets and will notify the Auditor-Controller's Office accordingly.

Corrective action will occur 12/29/05.

Recommendation 2.2 Establish a method for the monitoring, including the acquisition and disposal process of all capitalized fixed assets.

Management's Reply Concur. The District Attorney's Office will continue to have the Buyer and Accounts Payable notify the Accountant of any capital asset acquisitions with copies of the Purchase Order and Invoice. The Accountant will continue to periodically run queries on purchases greater than \$5,000 to capture any miscoded capital assets. The Buyer and the TSU department will notify the Accountant of any changes such as trade-ins or disposal of equipment with proper documentation.

Corrective action will occur 12/20/05.

Auditor's Comment The possibility existed that the missing laptop computers contained confidential data, which could possibly expose the County and the department to legal liability and/or embarrassment. We forwarded this concern and associated information to the County's Information Security Office for investigation. Their report is attached as Appendix 2.

In addition, we verified the submittal of the Capital Asset Disposition SPM Form AM-7 to the Auditor-Controller's Office effective February 12, 2006.

Finding 3 Internal controls are not in place to effectively monitor non-capitalized assets, items with intrinsic value that cost under \$5,000. This includes items such as personal computers, printers and FAX machines. In reviewing the department's expenditure transactions, we noted

purchases totaling \$295,898 for fiscal year 2004/05 and \$137,437 for the period, July 1, 2005 thru October 31, 2005 for Computer Equipment – Non Fixed Assets and Office Equipment – Non Fixed Assets. Due to the volume of purchases for non-capitalized assets, it is essential an effective system to monitor these assets be in place.

The Auditor-Controller's Office Standard Practice Manual (SPM) No. 104, *Internal Controls*, dictates that departments shall establish, document and maintain an effective system of internal controls for the safeguarding of assets. Failure to do so may result in the misappropriation or unintentional loss of assets.

Recommendation 3 Establish a method for the monitoring, including the acquisition and disposal process of all non-capitalized assets valued at less than \$5,000.

Management's Reply Concur. The District Attorney's Office logs and assigns a red tag number to non-capital assets and has begun using Magic Software to track the acquisition and disposal process of non-capitalized fixed assets for the safeguarding of assets.

Corrective action will occur 12/29/05.

Auditor's Comment As of June 12, 2006, a comprehensive system has not been put in place to accurately track the acquisition and disposal process of non-capitalized fixed assets.

Results

Payroll Process

The department processes employee timesheets on a bi-weekly basis. Employees are responsible for completing and submitting their timesheets to management at the end of each pay period. Management reviews employees' timesheets for accuracy. Any inaccurate timesheets are returned to the appropriate employee for correction and resubmission. Once approved by management, timesheets are forwarded to the department's payroll staff.

Payroll staff performs a final review to ensure employees' hours are accurately reported and, if applicable, sufficient hours, such as vacation time and sick time are available. If an adjustment is necessary, timesheets are returned to the employee for correction and submission to payroll staff. Management is notified of all timesheet corrections. Once timesheets are approved by payroll, they are processed in the OASIS PeopleSoft Financials System, where a payroll report is generated. Payroll staff reviews the report to ensure the accuracy of the information processed. The payroll report and all corresponding timesheets are submitted to management for review and approval in the OASIS PeopleSoft Financials System.

Based upon the results of our testing, we determined no significant issues over the payroll process existed. All minor concerns were discussed with the appropriate level of management. Overall, the department had a good system of internal controls in place, to ensure employee payroll hours were accurately reported.

Results

Purchasing Process

The Riverside County District Attorney's Office purchases goods and contracts for services through County Purchasing or from outside vendors. Items purchased through County Purchasing consist of: office supplies, communications and medical lab services.

Requests for purchases through County Purchasing are submitted through a "Supply Services Requisition Form," subsequent management's approval. Once approved, the original requisition forms are submitted to County Purchasing and copies are maintained on file. Orders are delivered to the appropriate department personnel, the store keepers at the Riverside office, who verify the orders against the corresponding packing slip and ensure the completeness of all orders. All packing slips, shipping documents and work orders are filed and maintained by the accounting employee.

Invoices for goods and services are submitted to the accounting employee. The accounting employee reviews the invoice against supporting documentation and processes the payment in the OASIS PeopleSoft Financials System.

Based upon the results of our testing, we determined no significant issues existed over the department's purchasing process. All minor concerns were communicated with the appropriate level of management. Overall, we believe the department had an adequate system of internal controls in place to ensure expenditures were appropriate.



GROVER TRASK
DISTRICT ATTORNEY

OFFICE OF THE DISTRICT ATTORNEY
COUNTY OF RIVERSIDE

4075 MAIN STREET, FIRST FLOOR
RIVERSIDE, CALIFORNIA 92501
951/955-5400

JAY E. ORR
ASSISTANT DISTRICT ATTORNEY
ADMINISTRATIVE DIVISION

ROD PACHECO
ASSISTANT DISTRICT ATTORNEY
Western Division

SUE F. STEDING
ASSISTANT DISTRICT ATTORNEY
EASTERN DIVISION

RANDALL K. TAGAMI
ASSISTANT DISTRICT ATTORNEY
SOUTHWEST DIVISION

DATE: December 20, 2005
TO: Auditor-Controller
Audits-and Specialized Accounting Division
FROM: Jay Orr, Assistant District Attorney *JEO*
District Attorney's Office
SUBJECT: Reply to Draft Audit Report

Recommendation Number 1 _____:

All outlying branch offices should make daily deposits of any collections, in accordance with Board of Supervisors' Policy A-25 and the Auditor-Controller's Standard Practice Manual 705, Paragraph 2.

a. Management position concerning the recommendation:

_____ Concur X Disagree

b. Comments:

The District Attorney's Office has submitted to the Auditor Controller's Office SMF Form AR-6 – Daily Cash Deposits Exemption Request form. Due to the insignificant amount of funds collected at the various offices it would not be cost effective to process daily deposits. The District Attorney's Office is awaiting approval from the Auditor Controller's Office to be exempt from daily deposits.

c. Actual/estimated Date of Corrective Action: 12/15/05

As of 12/15/05 all District Attorney Offices that receive funds are keeping a log of the money received.

d. Estimated cost to implement recommendation (If material)

\$ n/a

Recommendation Number __2.1__ :

Notify the Auditor-Controller's Office within 30 days of each modification, disposal, transfer, or change to fixed assets.

a. Management position concerning the recommendation:

Concur Disagree

b. Comments:

The District Attorney's office will notify the Auditor-Controller's Office within 30 days of each modification, disposal, transfer, or change to fixed assets. We will submit form AM-6 CapAssetTransfer for intra-departmental location changes to better track the assets. The TSU department will submit all surplus forms to the Accountant, who will determine if any items are Capital Assets and will notify the Auditor-Controller's Office accordingly.

c. Actual/estimated Date of Corrective Action: 12/29/05

d. Estimated cost to implement recommendation (If material)

\$ n/a

Recommendation Number __2.2__ :

Establish a method for the monitoring, including the acquisition and disposal process of all capitalized fixed assets.

a. Management position concerning the recommendation:

Concur Disagree

b. Comments:

The District Attorney's Office will continue to have the Buyer and Accounts Payable notify the Accountant of any capital asset acquisitions with copies of the Purchase Order and Invoice. The Accountant will continue to periodically run queries on purchases greater than \$5,000 to capture any miscoded capital assets. The Buyer and the TSU department will notify the Accountant of any changes such as trade-ins or disposal of equipment with proper documentation.

c. Actual/estimated Date of Corrective Action: 12/20/05

d. Estimated cost to implement recommendation (If material)

\$ n/a



Information Security Office

C.J. Wickham, CISSP
Chief Information Security Officer

10 MAY 06

Memorandum for Record: Riverside County District Attorney Missing Laptops

On or about 27 APR 04, Elaine Sanchez of the District Attorney's office conducted an internal inventory of capital assets assigned to that department (See Attachment 1, page 4). On 20 MAY 04 Ms. Sanchez signed a Standard Practice Manual Form AM-7 (Capital Asset Disposition) declaring that as of 13 MAY 04, 29 Laptop Computers were missing¹ (See Attachment 2, page 5).

On 20 MAY 04, Beverly Markwardt, of the Auditor Controller's Office, received an undated letter from Cindy Laurenson, of the District Attorney's Office, stating that 29 laptops were missing and referencing the AM-7 form described above (See Attachment 3, page 6). Further investigation revealed that one of the missing laptops had previously been sent to surplus on 5 NOV 02²; In addition, 3 other laptops were located and sent to surplus on 3 Jun 04³ and 14 JUN 04⁴.

On 14 MAR 06, Wayne Beckham of the Information Security Office (ISO) met with Michael Alexander and Rachelle Román from the Auditor Controller's Office concerning the reported loss of 28 Laptop Computers from the District Attorney's Office.

On 29 MAR 06, Mr. Beckham received supporting documentation from Ms. Román. These documents are referenced below.

On 26 APR 06, Michael Ouellette (ITO, District Attorney's Office) issued a Memorandum for Record addressing the missing laptops (See Attachment 4 , page 7). Key items in his statement include:

- The systems in question are approximately nine years old
- Standard procedure was to wipe the systems of all data when removed from service before allowing the system to be used for home use
- Mr. Ouellette was strongly of the opinion that the systems had, in fact, been appropriately sent to surplus but that an error by County Purchasing obscured proof of this transfer
- New procedures for tracking the District Attorney IT assets are being implemented. Inventory is done annually

¹ The Form AM-7 shows a disposition of "MIS" (Missing Asset) and a disposition date of "051304."

² Toshiba 480CDT Laptop, Serial # S18523123.

³ Toshiba 480CDT Laptop, Serial # S18496734.

⁴ Toshiba 480CDT Laptop, Serial # S18496286 and Toshiba 430CDT Laptop, Serial # 77114177.

- The laptops were used as "thin-client"⁵ machines and thus sensitive data was retained on the server and not stored on the laptop's local hard drive

On 8 MAY 06, CISO CJ Wickham and Kari Garland met with Mr. Ouellette. During that meeting the parties discussed and clarified the previously obtain information and recommendations by the ISO were made.

Findings

- The value of the machines wasn't in their hardware value, but the possibility that confidential data was contained on the machine's hard drive and could be exploited, exposing the county and department to legal liability and/or embarrassment. It is considered highly likely that if such confidential data existed its exploitation or revelation has already taken place.
- The DA procedure has always been, and continues to be, that any machine that is transferred between users or added to the loner pool is wiped using Symantec's GDISK product.
- Past asset management procedures have been tightened up precisely to avoid any similar incidents.

Recommendations

The DA's office needs to notify the ISO as soon as possible after discovery that assets are missing or unaccounted for.

When performing a system wipe, it should be done to DoD standards. If GDISK can not be set to this level, Boot N Nuke can be downloaded from the ISO's intranet website.

Implement a logging procedure to document each format (wipe) time and date

Implement a computer system loner pool awareness program for the DA user community. The users need to be reminded of their responsibility for the security of the physical system and information placed on the machine is not secure from subsequent users.

⁵ A "thin client" is a machine that performs very little processing using it's own memory, CPU, or hard drive. In this client/server arrangement, most of the application processing is done on a remote server.

Missing Laptop Serial Numbers/Depreciated Value

Toshiba 530CDT Laptops – \$6,600.55 ea. (Total: \$46,203.85).

- 77113516
- 77114268
- 7714306
- 77113402
- 77114343
- 77114233
- 77114237

Toshiba 480CDT Laptops – \$6,576.84 ea. (Total: \$39,461.04).

- Z7472044
- Z7481253
- Z7481773
- Z7471448
- Z7472115
- Z7471763

Toshiba 480CDT Laptops – \$6,114.60 ea. (Total: \$73,375.20).

- S18496812
- S18523126
- S18523870
- S18523089
- S18523223
- S18523698
- S18523779
- S18495373
- S18496922
- S18523090
- S18523695
- S18523811

The initial value of the missing laptops was \$159,040.09; however, the depreciated value was approximately \$25.00 per machine for a total of \$625.00.

Attachment 1

6:30 AM
NBV

SPM AM-7
Qry Asset 042704.xls
~ NBV 6:30-03 = 35,467

Asset ID	Tag #	Ver	Curr Loc	Prev Loc	Serial ID	Model	Descr	Cost
1	73941			Ind disposed	77113516	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
2	73942				77114288	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
3	73944		Surplus H/104	TSU to surplus	77114177	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
4	73945			Ind disposed	7714306	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
5	73946			Riv Stor	77113402	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
6	73947				77114343	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
7	73948			Riv Stor	77114233	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
8	73950			Riv Server	77114237	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
9	73970			Riv Stor	Z7472044	530CDT	TOSHIBA TECRA PORT. COMPUTER	6,600.55
10	73973			Riv Stor	Z7481253	480CDT	LAPTOP COMPUTER	6,576.84
11	73974			Riv Stor	Z7481773	480CDT	LAPTOP COMPUTER	6,576.84
12	73989				Z7472115	480CDT	LAPTOP COMPUTER	6,576.84
13	73997				Z7471763	480CDT	LAPTOP COMPUTER	6,576.84
14	74005			Riv Stor	Z7471763	480CDT	LAPTOP COMPUTER	6,576.84
15	74058				S18496812	480CDT	LAPTOP COMPUTER	6,114.60
16	74063				S18523126	480CDT	LAPTOP COMPUTER	6,114.60
17	74074			Van Nort	S18523870	480CDT	LAPTOP COMPUTER	6,114.60
18	74076				S18496286	480CDT	LAPTOP COMPUTER	6,114.60
19	74080				S18523088	480CDT	LAPTOP COMPUTER	6,114.60
20	74085				S18496734	480CDT	LAPTOP COMPUTER	6,114.60
21	74080				S18523088	480CDT	LAPTOP COMPUTER	6,114.60
22	74094			Riv Stor	S18523223	480CDT	LAPTOP COMPUTER	6,114.60
23	74095				S18523698	480CDT	LAPTOP COMPUTER	6,114.60
24	74098				S18523779	480CDT	LAPTOP COMPUTER	6,114.60
25	74106		Tesone		S18495373	480CDT	LAPTOP COMPUTER	6,114.60
26	74108		Riv Stor		S18496922	480CDT	LAPTOP COMPUTER	6,114.60
27	74109				S18523050	480CDT	LAPTOP COMPUTER	6,114.60
28	74116				S18523123	480CDT	LAPTOP COMPUTER	6,114.60
29	74118				S18523695	480CDT	LAPTOP COMPUTER	6,114.60
30					S18523811	480CDT	LAPTOP COMPUTER	6,114.60
31								177,385.89
32								183,984.77

Write-off as missing Elaine Sanchez 5/28/04

Qry Asset 042704.xls Write-off as missing

Page 1

5/20/2004 8:32 AM

Attachment 3



GROVER TRASK
DISTRICT ATTORNEY

OFFICE OF THE DISTRICT ATTORNEY
COUNTY OF RIVERSIDE

4075 MAIN STREET, FIRST FLOOR
RIVERSIDE, CALIFORNIA 92501
909/955-5400

JAY E. ORR
ASSISTANT DISTRICT ATTORNEY
ADMINISTRATIVE DIVISION

ROD PACHECO
ASSISTANT DISTRICT ATTORNEY
SOUTHWEST DIVISION

SUE F. STEDING
ASSISTANT DISTRICT ATTORNEY
EASTERN DIVISION

RANDALL K. TAGAMI
ASSISTANT DISTRICT ATTORNEY
WESTERN DIVISION

To: Beverly Markwardt

From: Cindy Laurenson
District Attorney's Office
Accountant II

RE: Fixed Asset Dispositions

Attached you will find two AM-7 forms along with excel spreadsheets detailing the assets. One form is for 29 missing laptops, which were not found during this year's physical inventory.

We would like to write-off the remaining 58 laptops because they pose a security risk to our network. They have Windows 95 operating systems which does not have current security programs, and they are not supported by our TSU department. Our IT Officer stated that they are currently worth about \$50 each.

All of the laptops were incorrectly set-up in OASIS with a depreciation period of 60 months. They should have been set-up with 36 months or less and should be fully depreciated. I believe they were also set-up with wrong acquisition dates—I believe they were purchased prior to 1999.

Last year we prepared the Form 11 paperwork for assets we were writing off. Sally Beavens of the Executive Office returned the Form 11 to us with the explanation that it was not needed for fully depreciated assets.

If you need any additional information, please call me at 955-5944.

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running the current generation of operating system and desktop applications. There is virtually no value to this vintage of laptop computer. In fact, the liability in owning this equipment would potentially be the cost for disposing of hazardous waste. Also, the initial value of the systems has long since been fully depreciated in the county's accounting system. The weakness in our inventory control system that allowed this situation to occur was corrected years ago. We now have highly reliable procedures for effectively tracking our IT assets and avoiding any future occurrences of this situation.

With regard to the second concern, there is virtually no risk of compromise to proprietary information due to the unaccounted-for laptops. In the first place, our Case Management System (DAMION) is a client/server application, with all case data maintained on the back-end (server). By design, the "client" (Desktop PC or laptop) sends a query request to the server and the server returns the query result. No case data remains on the client once the session is ended.

During the time that we were replacing the laptops with desktop PCs, the TSU's standard procedure was to use a utility called "Gdisk" to totally wipe clean the hard drives of all laptops that were turned in. This effectively removed all data from the laptops before they were issued to attorneys for home use. The only data that ever would have been on a laptop is that which an attorney would have personally entered. Our "exposure" to compromise of sensitive data due to the missing laptops is no more than if an attorney carried a paper copy of a document, or a floppy disk with data out of the office.