

789

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



**FROM:** County Auditor-Controller

**SUBMITTAL DATE:**  
June 22, 2010

**SUBJECT:** Internal Audit Report 2010-014: Probation Department

**RECOMMENDED MOTION:** Receive and file Internal Audit Report 2010-014: Probation Department.

**BACKGROUND:** The Auditor-Controller's Office has completed an audit of the Probation Department. We conducted the audit during the period December 15, 2009, through February 25, 2010, for operations of July 1, 2007, to February 25, 2010. Our objective 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. Specifically, the internal controls over: information security, records retention and court collections in accordance with the Welfare and Institutions Code 275(b).  
(Continued)

Departmental Concurrence

*Robert E. Byrd*  
ROBERT E. BYRD: ASST. AUD.-CONT.  
for Robert E. Byrd  
County Auditor-Controller

<b>FINANCIAL DATA</b>	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

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

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Karen L. Johnson*  
Karen L. Johnson

**County Executive Office Signature**

- Consent
- Policy
- Consent
- Policy

Dept's Recomm.:  
Per Exec. Ofc.:

**Prev. Agn. Ref.:**

**District:** ALL

**Agenda Number:**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

2.4

**BACKGROUND continued:**

Based upon the results of our audit, internal controls over records retention are adequate. However, some improvements are needed in the following areas: information security and court collections.

We will follow-up with the department within one year to determine if the three findings have been corrected.



# County of Riverside

**INTERNAL AUDIT REPORT**

**2010-014**

**Riverside County Probation Department**

**June 22, 2010**

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

4080 Lemon Street  
P.O. Box 1326  
Riverside, CA 92502-1326



**RIVERSIDE COUNTY  
OFFICE OF THE  
AUDITOR-CONTROLLER**

County Administrative Center  
4080 Lemon Street, 11<sup>th</sup> Floor  
P.O. Box 1326  
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(951) 955-3800  
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**COUNTY OF RIVERSIDE  
AUDITOR-CONTROLLER**  
**Robert E. Byrd, CGFM**  
AUDITOR-CONTROLLER

**Bruce Kincaid, MBA**  
ASSISTANT  
AUDITOR-CONTROLLER

June 22, 2010

Alan M. Crogan, Chief Probation Officer  
Riverside County Probation Department  
P. O. Box 833  
Riverside, CA 92502-0833

**Subject: Internal Audit Report 2010-014: Riverside County Probation Department**

Dear Chief Crogan:

We have completed an audit of the Probation Department. We conducted the audit during the period December 15, 2009, through February 25, 2010, for operations of July 1, 2007, to February 25, 2010.

Our objective 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. Specifically, the internal controls over: information security, records retention and court collections in accordance with the Welfare and Institutions Code 275(b).

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant and useful evidence to provide reasonable assurance that our objective as described in the preceding paragraph is achieved. An audit includes examining, on a test basis, evidence about the adequacy and effectiveness of internal controls, compliance with applicable government codes and regulations, and performing such other procedures, as we considered necessary in the circumstances. We believe the audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial information. Management is responsible for establishing and maintaining adequate internal controls; our responsibility is to express a conclusion on the internal controls based upon our audit.

Based upon the results of our audit, internal controls over records retention are adequate. However, some improvements are needed in the following areas: information security and court collections.

We thank the Probation 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



By: Melissa S. Bender, CIA  
Audit Manager

cc: Board of Supervisors  
Executive Office  
Grand Jury

## Table of Contents

	Page
<b>Executive Summary</b> .....	1
<b>Results:</b>	
<b>Information Security</b> .....	2
<b>Records Retention</b> .....	5
<b>Court Collections</b> .....	6
<b>Management's Response</b> .....	Appendix

## **Executive Summary**

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**Overall Objective** Our objective 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. Specifically, the internal controls over: information security, records retention and court collections in accordance with the Welfare and Institutions Code 275(b).

**Overview** The Probation Department works in a collaborative manner with other departments and agencies to conduct investigations; provide intensive supervision, early intervention and treatment services; participate in high profile task force assignments county-wide; and provide juvenile institutional detention and treatment programs for males and females throughout the county.

In accordance with the Welfare and Institutions Code, the Probation Officer is required to keep suitable books and accounts and shall give and keep suitable records and vouchers.

**Overall Conclusion** Based upon the results of our audit, internal controls over records retention are adequate. However, some improvements are needed in the following areas: information security and court collections.

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

## **Information Security**

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### **Objectives**

Our detailed audit objectives were to determine:

- The adequacy of internal controls over sensitive data stored electronically or by hard copy within the department;
- The adequacy of internal controls over sensitive information; and
- The adequacy of internal controls over the disclosure of sensitive information.

### **Audit Methodology**

To accomplish our objectives, we:

- Conducted interviews and performed walkthroughs with department personnel;
- Identified and reviewed applicable policies and procedures, Board of Supervisors' ordinances, laws, codes, and regulations;
- Obtained and understood policy and procedures regarding information security and performed testing to ensure internal controls were adequate over security of information; and
- Determined the nature of information stored by the department.

### **Background**

Probation records include any documentation maintained by or in the custody or control of the Probation Department regarding a probationer. Probation records are to be maintained in accordance with the Welfare and Institutions Code 825-826.5 to maintain probationer confidentiality. The Probation Department maintains hard copy probationer case files in addition to utilizing JAMS (Juvenile and Adult Management System) to maintain electronic probationer data.

### **Results**

We observed the hard copy probationer case files maintained by the Probation Department. The probationer case files were maintained in a filing cabinet in a secure section of the department. Access to the probationer case files was restricted and in accordance with the Welfare and Institutions Code 825-828 and Personnel Policy 1.2.20.

Electronic probationer data was maintained in JAMS, which was developed internally by the Probation Department. A Microsoft consultant was hired to review JAMS's security once JAMS was completed. The review resulted in one recommendation, which was implemented prior to JAMS being utilized department wide. The server room located at the Probation Department's administration offices was locked and keys are only assigned to four staff. The network is backed-



up to an external drive on a daily basis and to tapes on a periodic basis. Staff notes the date a tape backup was made on a log sheet kept next to the tape drive. Backed-up data is used to refresh developer platforms on a monthly basis so the information they are using during their programming is up-to-date. Furthermore, unattended computers were adequately secured.

In addition, we reviewed a list of terminated employees to verify their access to JAMS was deleted in a timely manner. Based upon our review, the Probation Department has adequate internal controls in place to ensure terminated employees cannot access JAMS.

We also performed testing to verify if passwords utilized to access JAMS were developed in accordance with Board Policy A-58. Board Policy A-58 requires that passwords are strong and well guarded. The following guidelines are given per the policy for creating strong passwords:

- Contain one number, capital letter, or special character;
- Be at least 8 characters in length;
- Be changed at least every 90 days;
- Never be the same as the user's logon ID;
- Not be changed more frequently than once a day; and
- Not be reused within the last five password changes.

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**Finding 1**

Probation Department's administration personnel did not disable the access of terminated employees from the system in a timely manner. The department took an average of 52 days to delete/remove PeopleSoft financials and HRMS systems access for 15 employees whose employment with the department terminated between July 2008 and March 2009. While PeopleSoft financials and HRMS systems access is limited to county networks, there is a potential for misuse of an account or information if unnecessary accounts are active.

**Recommendation 1**

Develop and implement a process that ensures only authorized personnel retain access to information systems and employees' access is disabled or deleted in a timely manner.

**Management Reply**

**Concur.** "The Peoplesoft Financial and Human Resources Management Systems have electronic flags that will not allow separated employees access to the system and the network is limited to access via county computers only. The Probation Department has developed an internal notification system whereby employees who are separated from employment will be removed in a more timely manner."

**Finding 2**

Password requirements are not in compliance with Board Policy A-58 (Enterprise Information Security Policy). Specifically, the department allows passwords to be repeated and there is no requirement to change them periodically. According to Probation Department's information technology staff, no timeout is required, however, JAMS is designed to support periodic password expiration. A lack of measures to ensure passwords are strong and well guarded perpetuates an unnecessary vulnerability to secure information and violates Board Policy A-58.

**Recommendation 2**

Ensure passwords are in accordance with Board Policy A-58 to include periodic password expiration and denying repeated passwords within the last five password changes.

**Management Reply**

**Concur.** "The Probation Department will implement the recommendation to ensure that the in-house Juvenile and Adult Management System (J.A.M.S.) passwords are in compliance with Board Policy A-58."

## **Records Retention**

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### **Objectives**

Our detailed audit objectives were to determine if:

- Probation records were maintained in compliance with the county's records retention policies; and
- Sensitive information was destroyed or deleted in accordance with the applicable regulations.

### **Audit Methodology**

To accomplish our objectives, we:

- Conducted interviews and performed walkthroughs with department personnel;
- Identified and reviewed applicable policies and procedures, Board of Supervisors' ordinances, laws, codes, and regulations; and
- Reviewed destruction documents for proper authorization and compliance with the county's records retention policies.

### **Results**

Based upon our review, the Probation Department has adequate internal controls in place to ensure pertinent information is saved to microfilm or destroyed in accordance with the county's records retention policies.

## **Court Collections**

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### **Objectives**

Our detailed audit objectives were to determine if:

- Probation Department maintained accurate and complete books and accounts according to the Welfare and Institutions Code section 275;
- Adequate internal controls were in place over the cash receipts; and
- Adequate internal controls were in place to ensure the Probation Department and other individuals such as victims received all monies due to them pursuant to court orders in a timely manner and in accordance with the applicable laws, rules and regulations.

### **Background**

Per the Welfare and Institutions Code 275, the probation officer or other county officer designated by the board of supervisors of the county shall keep suitable books and accounts and shall give and keep suitable receipts and vouchers.

### **Results**

The Superior Court of California, County of Riverside performs collection of court-ordered payments such as fines, fees and victim restitution. Additionally, the court deposits and distributes the monthly collections.

Currently, the Superior Court grants access to their case management system to Probation Department staff; however, the Probation Department is not accessing, tracking and reconciling the court ordered payments. Moreover, the Superior Court provides the Probation Department with a text file containing the names and distribution amount for each court order. However, there is no additional information such as the total amount ordered for each case or all payments collected for each case.

### **Finding 3**

We were not able to perform detailed audit testing because the Probation Department does not have the necessary records to ensure adequate internal controls are in place. Without adequate documentation, tracking and reconciliation, the department is unable to ensure:

- Probation Department received all court ordered payments due to them;
- Reductions to court ordered payments are authorized and appropriate;

- Court orders received were distributed to victims in a timely manner and in accordance with California Penal Code 1203.1(b);
- Probationers are paying their court ordered fees; and
- Probationers are not released from probation if a court order is not paid in full in accordance with California Penal Code 1202.4.

**Recommendation 3** Maintain adequate books and accounts in accordance with the Welfare and Institutions Code 275 including:

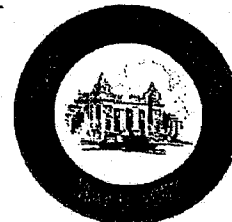
- Tracking all amounts due per court orders;
- Reconciling amounts received from the courts on a monthly basis;
- Verifying reductions, payments and distributions were performed in accordance with the applicable codes; and
- Verifying probationers are not released from probation prior to paying court orders in full.


**Management Reply** Concur. "The Probation Department concurs with the finding and recommendation. And, will work with the Enhanced Collections Division of the State of California Superior Court to request and develop management reports that will detail and provide the information listed in Recommendation 3."



**RIVERSIDE COUNTY PROBATION DEPARTMENT**

**ALAN M. CROGAN**  
CHIEF PROBATION OFFICER



DATE: June 17, 2010  
TO: Auditor-Controller's Office  
Audits and Specialized Accounting Division  
FROM: Alan M. Crogan  
Chief Probation Officer   
SUBJECT: Reply to Draft Audit Report 2010-014: Probation Department

**Finding 1:**

Probation Department's administration personnel did not disable the access of terminated employees from the system in a timely manner. The department took an average of 52 days to delete/remove PeopleSoft financials and HRMS systems access for 15 employees whose employment with the department terminated between July 2008 and March 2009. While PeopleSoft financials and HRMS systems access is limited to county networks, there is a potential for misuse of an account or information if unnecessary accounts are active.

**Management position concerning the finding: Concur**

**Comments:**

**Recommendation 1:**

Develop and implement a process that ensures only authorized personnel retain access to information systems and employees' access is disabled or deleted in a timely manner.

**Management position concerning the recommendation: Concur**

**Comments:**

The Peoplesoft Financial and Human Resources Management Systems have electronic flags that will not allow separated employees access to the system and the network is limited to access via county computers only. The Probation Department has developed an internal notification system whereby employees who are separated from employment will be removed in a more timely manner.

**Finding 2:**

Password requirements are not in compliance with Board Policy A-58 (Enterprise Information Security Policy). Specifically, the department allows passwords to be repeated and there is no requirement to change them periodically. According to Probation Department's information technology staff, no timeout is required, however, JAMS is designed to support periodic password expiration. A lack of measures to ensure passwords are strong and well guarded perpetuates an unnecessary vulnerability to secure information and violates Board Policy A-58.

**Management position concerning the finding: Concur**  
**Comments:**

**Recommendation 2:**

Ensure passwords are in accordance with Board Policy A-58 to include periodic password expiration and denying repeated passwords within the last five password changes.

**Management position concerning the recommendation: Concur**

**Comments:**

The Probation Department will implement the recommendation to ensure that the in-house Juvenile and Adult Management System (J.A.M.S.) passwords are in compliance with Board Policy A-58.

**Finding 3:**

We were not able to perform detailed audit testing because the Probation Department does not have the necessary records to ensure adequate internal controls are in place. Without adequate documentation, tracking and reconciliation, the department is unable to ensure:

- Probation Department received all court ordered payments due to them;
- Reductions to court ordered payments are authorized and appropriate;
- Court orders received were distributed to victims in a timely manner and in accordance with California Penal Code 1203.1(b);
- Probationers are paying their court ordered fees; and
- Probationers are not released from probation if a court order is not paid in full in accordance with California Penal Code 1202.4.

**Management position concerning the finding: Concur**

**Comments:**

**Recommendation 3:**

Maintain adequate books and accounts in accordance with the Welfare and Institutions Code 275 including:

- Tracking all amounts due per court orders;
- Reconciling amounts received from the courts on a monthly basis;
- Verifying reductions, payments and distributions were performed in accordance with the applicable codes; and
- Verifying probationers are not released from probation prior to paying court orders in full.

**Management position concerning the recommendation: Concur**

**Comments:**

The Probation Department concurs with the finding and recommendation. And, will work with the Enhanced Collections Division of the State of California Superior Court to request and develop management reports that will detail and provide the information listed in Recommendation 3.