

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

110



FROM: County Auditor-Controller

SUBMITTAL DATE:
November 8, 2011

SUBJECT: Internal Audit Report 2011-308: Law Offices of the Public Defender, Follow-up.

RECOMMENDED MOTION: Receive and file Internal Audit Report 2011-308: Law Offices of the Public Defender, Follow-up.

BACKGROUND: We have completed the first follow-up Audit of the Law Offices of the Public Defender. Our audit was limited to reviewing actions taken as of August 30, 2011, to correct the findings noted in our original audit report 2009-013 dated March 16, 2010. The original audit report contained three findings, all of which required corrective action and; therefore, were reviewed as part of this audit. For an understanding of the original audit, Internal Audit Report 2009-013, please refer to www.auditorcontroller.org. This follow-up audit found that of the three findings, two were corrected and one was partially corrected. We will follow-up on the one partially corrected finding in our second Follow-up Audit of Law Offices of the Public Defender within one year.

Paul Angulo

Paul Angulo, CPA, MA
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:

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.: 2.9 4/6/10

District: ALL

Agenda Number:

2.13

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Departmental Concurrence



County of Riverside

INTERNAL AUDIT REPORT

2011-308

Law Offices of the Public Defender Follow-up

November 8, 2011

Office of
Paul Angulo, CPA, MA
County Auditor-Controller

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



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

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ACC | **AUDITOR
CONTROLLER**
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
AUDITOR-CONTROLLER

November 8, 2011

Gary Windom, Public Defender
Law Offices of the Public Defender
4200 Orange Street
Riverside, CA 92501

Subject: Internal Audit Report 2011-308: Law Offices of the Public Defender, Follow-up

Dear Mr. Windom:

We have completed the first follow-up Audit of the Law Offices of the Public Defender. Our audit was limited to reviewing actions taken as of August 30, 2011, to correct the findings noted in our original audit report 2009-013 dated March 16, 2010.

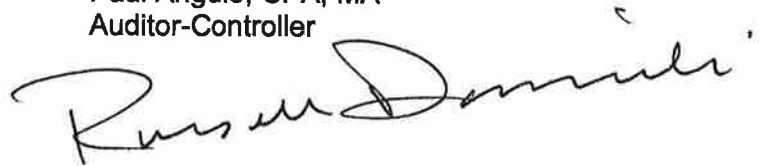
We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our opinion.

The original audit report contained three findings, all of which required corrective action and; therefore, were reviewed as part of this audit. For an understanding of the original audit, Internal Audit Report 2009-013, please refer to www.auditorcontroller.org. This follow-up audit found that of the three findings, two were corrected and one was partially corrected.

Further details of the findings identified in the original audit are provided in the body of this report. We will follow-up on the one partially corrected finding in our second Follow-up Audit of Law Offices of the Public Defender within one year.

We appreciate the cooperation and assistance extended to us by staff of the Law Offices of the Public Defender during this follow-up audit. Their assistance contributed significantly to the successful completion of the audit.

Paul Angulo, CPA, MA
Auditor-Controller

A handwritten signature in black ink, appearing to read "Russell S. Dominski". The signature is written in a cursive style with a large initial "R".

By: Russell S. Dominski
Interim Chief Internal Auditor

cc: Board of Supervisors
Executive Office
Grand Jury

Finding 1: Department policies are not strictly enforced. Expenses such as subscriptions, memberships, law books and videos were routinely processed without proper documentation and authorization. Of 31 vouchers reviewed, five did not have the required expense justification documented, six did not have supporting documents, and four did not have appropriate supervisory approval. Furthermore, quarterly "surprise" audits of petty cash funds of the Indio and Southwest offices by the Administrative Manager or designee were not performed as required.

Current Status 1: Corrected.

As of the first quarter fiscal year 2011/12, the Assistant Public Defender in each of the outlying offices has been assigned the surprise petty cash counts. No discrepancies were noted during the first surprise cash count. Additionally, all purchases were properly supported by documentation and reviewed by management.

Finding 2: A terminated temporary employee's system access rights to the PeopleSoft system (county's financial system) remained active because the department did not request the county system administrator to disable the employee's access rights when the employee's employment ended on April 24, 2008. ISO Policy 5.1 states that only personnel with a need to know should be authorized to have access to department-restricted data. (Upon our recommendation, management took action to have the employee's system access disabled on June 9, 2009.)

Current Status 2: Partially Corrected.

The department implemented policy 606 which establishes a procedure for terminating employee user rights; however, no employees have been terminated since the issuance of the policy so we were unable to verify their user rights were disabled immediately.

Finding 3: Security roles in PeopleSoft system are not appropriately segregated in accordance with ACO SPM 104 to prevent an employee from having a multiple control over key functions. Three employees have roles enabling each to process vendor codes, process payment vouchers and approve payment vouchers. Two of the three employees have additional roles enabling each to process requisitions, approve requisitions, process purchase orders, and receive the purchased merchandise.

Current Status 3: Corrected.

While the fiscal unit in the department is currently understaffed and unable to clearly separate all roles as noted above, they have implemented internal controls to address the finding noted. A sample of purchases made during the review period noted all functions were properly segregated.