

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

207



FROM: Auditor-Controller

SUBMITTAL DATE:
October 14, 2014

SUBJECT: Internal Audit Report 2014-008: Riverside County Probation Department, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2014-008: Riverside County Probation Department

BACKGROUND:

Summary

We have completed an audit of Riverside County Probation Department to provide management and the Board of Supervisors with an independent assessment of internal controls over information security, records management, revenue, and expenditures. We conducted the audit during the period August 22, 2013 through February 5, 2014 for operations of July 1, 2011 through June 30, 2013.

(Continued on page 2)

Paul Angulo

Paul Angulo, CPA, CGMA, MA
County Auditor-Controller

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	

SOURCE OF FUNDS: N/A	Budget Adjustment: No
	For Fiscal Year: n/a

C.E.O. RECOMMENDATION:

APPROVE

BY:

Karen L. Johnson
Karen L. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

Departmental Concurrence

- A-30
- Positions Added
- 4/5 Vote
- Change Order

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

2-4

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Internal Audit Report 2014-008: Riverside County Probation Department, [District: All]; [\$0]

DATE: October 14, 2014

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

Based upon the results of our audit, we identified opportunities for improvement in internal controls relating to the processes of information security and records management. We determined Probation Department's internal controls provide reasonable assurance that the Department will achieve its objectives. Reasonable assurance recognizes internal control has inherent limitations, including costs, mistakes, and intentional efforts to bypass internal controls. We will follow-up in one year to determine if actions were taken to correct the findings noted.

Impact on Citizens and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: County of Riverside Auditor-Controller's Office - Internal Audit Report 2014-008: Riverside County Probation Department

Internal Audit Report 2014-008

Riverside County Probation Department

Report Date: September 22, 2014



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ACC | AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, CGMA, MA
AUDITOR-CONTROLLER

September 22, 2014

Mark A. Hake, Chief Probation Officer
Probation Department
3960 Orange Street, Suite 600
Riverside, CA 92501

Subject: Internal Audit Report 2014-008: Riverside County Probation Department

Dear Chief Hake:

We have completed an audit of the Riverside County Probation Department to provide management and the Board of Supervisors with an independent assessment of the department's internal controls over information security, records management, revenue, and expenditures. The audit covered the period July 1, 2011 through June 30, 2013.

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 information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this 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 and non-financial information. Management is responsible for establishing and maintaining adequate internal controls; our responsibility is to assess the adequacy of internal controls.

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to the processes of information security and records management. We determined the Probation Department's internal controls provide reasonable assurance that the Department will achieve its objectives. Reasonable assurance recognizes internal control has inherent limitations, including costs, mistakes, and intentional efforts to bypass internal controls.

As requested, in accordance with paragraph IIC of the Board of Supervisors Resolution 83-338, management responded to each reported condition and recommendation contained in our

Internal Audit Report 2014-008: Riverside County Probation Department

report. Management's responses are included in the report. We will follow-up in one year to verify that management implemented the corrective actions.

We thank the Riverside County Probation Department management and staff for their cooperation; their assistance contributed significantly to the successful completion of this audit.

Paul Angulo, CPA, CGMA, MA
County Auditor-Controller

Mark W. Cousineau

By: Mark Cousineau, CPA, CIA, CFE
Chief Internal Auditor

cc: Board of Supervisors
Executive Office
Grand Jury
District Attorney's Office

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Executive Summary

Overview

The Riverside County Probation Department (Probation) is one of the most diversified law enforcement agencies in the county with a budget of \$100.2 million, and 1,043 sworn and non-sworn permanent and temporary positions. The department has the following Divisions:

- Administrative and Business Services: Division staff provide a full array of support services and programs to potential and existing employees including information technology, management, quality assurance, staff development, personnel services, fiscal/procurement services, and contracts administration.
- Institutions: The department operates three juvenile halls (Riverside, Southwest, and Indio) and two residential treatment centers (Youthful Offender Program and Twin Pines Ranch). The detention facilities house juveniles pending court hearings or placement. The residential centers provide programs of treatment and supervision for minors ordered placed out of their home by the court.
- Field Services: The courts, offenders, victims, families of offenders, and the community all benefit from Field Services. State mandated services are provided to the courts and to probationers in the form of regular supervision contact, referrals to and oversight of participation in counseling and treatment, and court reports containing dispositional recommendations with regard to juvenile and adult matters.

Probation works in a collaborative manner with law enforcement, public and private social services agencies, mental health, schools, and other county departments. Probation conducts investigations on adult and juvenile criminal offenders; provides intensive supervision, early intervention and treatment services in the community to both adult and juvenile offenders; participates in high profile task force assignments (e.g. Drug, Gang, and Sex Offender) countywide; and provides juvenile institutional detention and treatment programs for males and females throughout the county.

In 2011, Probation assumed responsibility for supervising specified lower level parolees from the California Department of Corrections and Rehabilitation as a result of the Public Safety Realignment Act (AB 109). AB 109 was signed into law on April 4, 2011, and transferred responsibility for supervision to counties in an effort to reduce the prison population. Probation supervises these offenders and is part of the Community Corrections Partnership Executive Committee along with the court, public defender, district attorney, mental health, local police and sheriff, which is charged with the development of an annual plan to implement realignment.

Probation is a general government function supported, in part, by the general fund. Fiscal years 2010-11 and 2011-12 were the period under our audit review.

Internal Audit Report 2014-008: Riverside County Probation Department

Probation's revenues increased by \$11.6 million (23.76%) in FY 2012-13 versus FY 2011-12, primarily due to increased funding for "CA-AB 118 Local Revenue" account, from \$4.4 million to \$15.7 million. CA-AB 118 is a trailer bill to AB 109 (Public Safety Realignment), enacted to secure sufficient realignment funding for counties.

Expenditures increased by \$7.13 million (9.02%) in FY 2012-13 versus FY 2011-12 due to increased employees' "Salaries and Benefits", as a result of the enactment of the public safety realignment bill.

Audit Objective

Our audit objective is to provide management and the Board of Supervisors with an independent assessment of internal controls over information security, records management, expenditures, and revenues.

Audit Conclusion

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to the processes of information security and records management. We determined the Probation Department's internal controls provide reasonable assurance that the Department will achieve its objectives. Reasonable assurance recognizes internal control has inherent limitations, including costs, mistakes, and intentional efforts to bypass internal controls.

Information Security

Background

Probation's Information Technology Division administers the department's information technology and security, and liaises with Riverside County Information Security Office (ISO). Probation utilizes the following systems:

- PeopleSoft Financials: The County of Riverside (County) systems that allows users to update data in modules such as Accounts Payable, Accounts Receivable, General Ledger, and Purchasing.
- Juvenile and Adult Management System (JAMS): JAMS is an in-house system developed by the department's Information Technology Division to manage pertinent information, documents, and images related to juvenile and adult clients.
- Management and Team Training System (MATTS): This is an in-house application which documents employee involvement in continued education, training, and work related experience.
- Probation Application Management System (PAMS): PAMS contains new employee background check tracking, and is used by Probation Human Resources investigators.

The Board of Supervisor's Policy A-58 *Riverside County Information Security Policy, (A-58)*, goal is to protect the County's information in accordance with all applicable laws, governmental regulations and accepted best practices to minimize information security risk; ensuring the right information is available to the right people at the right time. To achieve this goal, the Riverside County Board of Supervisors (BOS) authorizes the County Chief Information Security Officer (CISO) to develop and maintain the Riverside County Information Security Program, and requires all Riverside County departments and component entities to comply:

- Program Framework: This defines the program's vision, mission, and roles and responsibilities.
- Information Security Risk Management Methodology: This defines the processes for assessing, accepting, and mitigating information security risk.
- Information Security Standards: These define the specific controls and processes required to mitigate information security risks.

Probation routinely collects and maintains information which is protected from public disclosure through various privacy and confidentiality statutes, and thus is not available under public information laws. Examples of private or confidential information are: passwords,

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Social Security Numbers (SSN); personal or family information; family names, age, personal or business partner, financial and banking data (including credit cards numbers, bank routing numbers and bank account information), employee performance reviews, discipline reports and other personnel data, and information related to in-progress legal proceedings.

Objective

Our audit objective is to provide management and the Board of Supervisors with an independent assessment of internal controls over information security.

Audit Methodology

To accomplish our objectives, we:

- Obtained an understanding of BOS Policy A-58, policies, procedures, and standards regarding information security.
- Conducted interviews with Probation personnel, and the County Information Security Officer.
- Determined the nature of information stored by Probation.
- Determined if Probation completed the business impact analysis required by the Information Management Standard.
- Reviewed inventory account management.
- Reviewed account management policies.

Finding 1: Business Impact Analysis

Probation did not complete a business impact analysis for systems that support "highly available information" because they were not aware of the requirement. As a result, "highly available information", Probation requires in daily operations, may not be available in a timely manner.

Recommendation 1

Probation should ensure a business impact analysis is completed as required by Riverside County Information Security Information Management Standard.

Management's Response

"Concur. As a result of the RCIT consolidation that occurred on June 26, 2014, the Probation Department is working with RCIT to perform the required business impact analysis. It is anticipated that the analysis will be completed by December 2014."

Actual/estimated Date of Corrective Action: **December 2014**

Finding 2: Information Technology Devices Vulnerability

The equipment inventory listing (servers and workstations) obtained from the department did not agree with the listing extracted from the Information Security's Office (ISO) scanning software.

The scanning software only captures equipment that are both connected and powered on.

Probation identifies which equipment is included or excluded from the scheduled monthly vulnerability scans. The IP addresses of equipment that need to be scanned are defined in the ISO scanning software List of "Included Assets"; otherwise, they are defined in the ISO scanning software List of "Excluded Assets."

Our comparison of both equipment listings as of October 2013 revealed the following:

- Ninety-one of 790 (or 12%) devices consisting of 18 laptops, 69 PCs, and 4 servers were not scanned for vulnerabilities in October 2013; of these, six (or 7%) were not shown in the ISO scanning software report of "Included Assets" or "Excluded Assets" while 85 (or 93%) were shown in the ISO scanning software List of "Included Assets". Further, two PCs and 10 servers were scanned which were not on the department listing.

Probation indicated that these laptops were not usually connected to the network while two of four servers were excluded from the scan because they contain juvenile and adult clients' information. The rest of equipment was not scanned in October 2013, presumably because they were not connected and powered on.

Vulnerability management is a critical component of any security infrastructure because it enables proactive detection and remediation of security vulnerabilities.

Recommendation 2

Probation should ensure that equipment is powered on during the monthly vulnerability scanning schedule or perform an ad-hoc vulnerability scan for any equipment powered off.

Management's Response

"Concur. The Probation Department continues to work with RCIT since the consolidation of staff and computer equipment. The department will begin to coordinate with RCIT the necessary pieces of equipment for the scheduled monthly vulnerability scans to ensure that they are included in the scans and/or perform independent scans of equipment utilized for testing or standby use."

Actual/estimated Date of Corrective Action: **November 2014**

Recommendation 2.1

Probation should ensure that new IP addresses/ranges of equipment are submitted to ISO and recorded in ISO scanning software List of "Included Assets" to ensure all equipment are scanned for vulnerabilities.

Management's Response

"Concur. As a result of the RCIT consolidation on June 26, 2014, the department has transitioned all assets to RCIT for inclusion in their equipment inventory. The Probation Department continues to work with RCIT in ensuring that new IP addresses/ranges of equipment are submitted and included in the ISO listing of assets. This request has been forwarded to RCIT to submit IP addresses to the ISO."

Actual/estimated Date of Corrective Action: **December 2014**