

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



**ITEM: 2.10
(ID # 17979)**

MEETING DATE:
Tuesday, January 11, 2022

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2022-004: Riverside County Law Office of the Public Defender Audit, District: All. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2022-004 Riverside County Law Offices of the Public Defender Audit

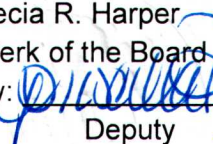
ACTION: Consent


Tanya Harris, Assistant Auditor Controller 12/20/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 11, 2022
xc: Auditor

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: n/a	

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

In accordance with Board of Supervisors Resolution 83-338, we audited the Law Offices of the Public Defender to provide management and the Board of Supervisors with an independent assessment of internal controls over professional services and application controls.

Our conclusion and details of our audit are documented in the body of this audit report.

We will follow-up to determine if actions were taken to correct the findings noted.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller's Office - Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender Audit

Internal Audit Report 2022-004

**Riverside County
Law Offices of the Public Defender
Audit**

Report Date: January 11, 2022



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
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CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

January 11, 2022

Steven L. Harmon
Public Defender
Riverside County Law Offices of the Public Defender
4075 Main Street, Suite 100
Riverside, CA 92501

Subject: Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender Audit

Dear Mr. Harmon:

In accordance with Board of Supervisors Resolution 83-338, we audited the Law Offices of the Public Defender to provide management and the Board of Supervisors with an independent assessment of internal controls over professional services and application controls.

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 evaluate the internal controls.

Our conclusion and details of our audit are documented in the body of this audit report.

**Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender
Audit**

As requested, in accordance with paragraph III.C of the Board of Supervisors Resolution 83-338, management responded to each reported condition and recommendation contained in our report. Management's responses are included in the report. We will follow-up to verify that management implemented the corrective actions.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
Jeff A. Van Wagenen, Jr., County Executive Officer
Grand Jury

Table of Contents

	Page
Executive Summary	4
 Results:	
Professional Services.....	6
Application Controls	8

**Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender
Audit**

Executive Summary

Overview

Riverside County Law Offices of the Public Defender (Public Defender) has continued to deliver legal representation to anyone unable to afford such services of the County. The department consist of lawyers, investigators, paralegals, social workers, and clerical staff. The department represents approximately 85% of all criminal cases filed within the County.

The Public Defender has a recommended budget of \$45.3 million for FY2021-22 and 277 positions to execute its responsibilities. *County of Riverside, Fiscal Year 2021-22 Recommended Budget, June 2021, 260.*

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over professional services and application controls. 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 and non-financial information. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Audit Scope and Methodology

We conducted the audit from June 17, 2021, through August 30, 2021, for operations from July 1, 2019, through August 24, 2021. Following a risk-based approach, our scope initially included the following:

- Professional Services
- State Sponsored Programs (Public Safety Realignment Act of 2011 (AB109) funding and Penal Code 4750 claims)
- Application Controls

Through inquiry, observations, and limited examination of relevant documentation, it was determined through a risk assessment of the state sponsored programs, that the risk exposure to the Public Defender associated with these processes are considered low. We focused our audit scope to internal control over professional services and application controls.

Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender Audit

Audit Highlights

Summary of Existing Conditions

- A special service request form for professional services does not have the approval of the appropriate department officials for items \$ 2,501 and above as required in the department's purchasing policy. Proper authorization provides an internal record that an activity has been observed, reviewed, and approved by appropriate authority before it can be processed or paid.
- Access to the Defender's Data application and active directory network were not disabled after employees and volunteers were terminated. Disabling system user accounts is an internal control designed to prevent former employees from having access to system information.

Summary of Improvement Opportunities

- Ensure that in-house service request forms are processed for payment or approval by appropriate authority as required on professional special service request form.
- Ensure compliance with County of Riverside Information Security Standard V1.0, Section 4.1, *Account and Access Management*, by disabling Defender's Data application and active directory network on the employees' last day of work with the department.
- Ensure the department has an effective termination procedure including written policy and procedures in disabling access to active directory network and Defender's Data application.

Audit Conclusion

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to professional services and user access right.

**Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender
Audit**

Professional Services

Background

A special service request form must be filled prior to any retention of professional services prior to utilizing the service and submitted for approval to a supervisor and manager. Each special service request form must be filled out completely and where applicable, must contain the projected number of hours needed by experts to perform the needed services along with the hourly rate. It is necessary to compare costs of services that are needed while maintaining the quality of service available.

Professional services are a key expenditure for Public Defender. The department utilizes only licensed professionals and services that are qualified and necessary.

Objective

To verify the existence and adequacy of internal control over department professional services expenditures.

Audit Methodology

To accomplish these objectives, we:

- Obtained and documented all relevant policies and procedures over department purchasing process.
- Interviewed key personnel to identify and assess their purchasing process.
- Selected samples to determine whether a special service request form was submitted, completed, and approved by appropriate level of management.

Finding 1: Approval for Special Services

Our sample of eleven (37%) out of thirty special service request forms for services exceeding \$2,500 did not have the required approval signatures. According to Public Defender policy and procedure, 501- Purchasing, *Special Service Request Procedures*, "Each special service form must be submitted to and approved by a supervisor and management prior to any special service usage for any case. The level of approval is as follows:

Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender Audit

1. A Supervisor may approve items up to \$ 1,000.
2. Items \$ 1,001 - \$ 2,500 require approval of a Supervisor and an Assistant Deputy Public Defender.
3. Items \$ 2,501 and above require approval of the Supervisor and the Public Defender.

For Public Defenders, one signature has been enough for them to move forward since they consider all their cases urgent, requiring prompt attention. Proper authorization will prevent invalid transaction and an internal record that an activity has been reviewed and approved by appropriate authority before it can process or paid. Further, it ensures compliance with its own departmental policy.

Recommendation 1

Ensure that in-house service request forms are approved by personnel with appropriate authority as required by departmental policy.

Management's Response

"Concur. Our previous policy of requiring approval of a Supervisor and an Assistant Public Defender for items from \$1,001 to \$2,500 and requiring approval of a Supervisor and the Public Defender for items over \$2,500 is unnecessary since in all these cases the amounts over the limits of the Supervisors. We have now revised our policy to state that for amounts over the limits of the Supervisors, only the Assistant Public Defender or Public Defender need approve amounts up to \$2,500 and the Public Defender or his/her designee need approve amounts over \$2,500. The revised LOPD 501-Purchasing policy has now been enacted. Please see revised policy attached."

Actual/estimated Date of Corrective Action: **September 9, 2021**

**Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender
Audit**

Application Controls

Background

Public Defender uses a case management software application called Defender's Data application for all its cases. The application is a full featured case management system designed to handle high volume caseloads as commonly found in public defender offices across the country.

When either a new hire or volunteer joins Public Defender, a ticket is prepared to Riverside County Information Technology to add these individuals to the active directory network. Once completed, a separate request is sent to the Public Defender assigned staff to provide the new employee access to the defender's data application and a registry key. When an individual leaves the organization, their active directory network and Defender's Data application access are disabled.

User access review is an internal control to periodically verify that only legitimate users have access to application or infrastructure. During a user access review, an application business or information technology owner may discover that users who left the department or transferred to another team in the department continue to have access to applications or infrastructure after their access credentials or privileges should have been removed. This vulnerability can be exploited resulting in financial and/or reputational loss to the enterprise. However, following some best practices that ensure that unauthorized users do not have access to an application or system can help mitigate this risk.

Objective

To verify the existence and adequacy of internal controls over the termination of access to system applications utilized by Public Defender.

Audit Methodology

To accomplish these objectives, we:

- Obtained and documented all relevant policies and procedures over disabling terminated employee's access to active directory network and Defender's Data application.

Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender Audit

- Conducted interview with department personnel and Riverside County (Information Technology) officials to obtain an understanding on disabling of active directory and Defender's Data application.
- Selected a sample of terminated employees and volunteers to perform testing for our review period.

Finding 2: Disabling Systems' Access Timely

Active directory and defender' data application accounts were not disabled in a timely manner for employees and volunteers no longer with the department. We identified the following in our review of 20 terminated employees (10) and volunteers (10):

- Twenty (100%) out of twenty sampled terminated employees and volunteers did not have ticket requests to Information Technology from the department to disable access to active directory network, and Defender's Data application.
- Three (30%) out of ten sampled terminated employees were not disabled from the active directory network as of the time of our audit fieldwork. Further, to disable the employees accounts from our sample selected, the average time lapsed was 153 days with the longest time lapsed being 738 days and the shortest being 1 day.
- Nine (45%) out of twenty sampled terminated employees and volunteers access accounts were not disabled from Defender's Data application as of the date of our audit fieldwork. The average time lapsed to disable the account from our sample selected was 404 days, with the longest time lapsed being 745 days and the shortest being 17 days.

Recommendation 2.1

Ensure compliance with County of Riverside Information Security Standard V1.0, Section 4.1, *Account and Access Management*, by disabling Defender's Data application and active directory network on the day of an employee's termination or transferred out from the department.

Management's Response

"**Concur.** We have now revised our policy and procedure so that disabling Defender Data application and active directory network access is performed on the day of termination from the Department. Please see attached new policy."

**Internal Audit Report 2022-004: Riverside County Law Offices of the Public Defender
Audit**

Actual/estimated Date of Corrective Action: **September 29, 2021**

Recommendation 2.2

Ensure that the department have an effective termination procedure including written policy and procedures in disabling access to active directory network and Defender's Data application.

Management's Response

"Concur. We have enacted a policy and procedure to ensure this is accomplished. Please see attached new policy."

Actual/Estimated Date of Corrective Action: **September 29, 2021**