

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



ITEM: 2.8
(ID # 23240)

MEETING DATE:
Tuesday, October 17, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR CONTROLLER: Internal Audit Report 2024-302: Riverside County Probation Department Follow-up Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2024-302: Riverside County Probation Department Follow-up Audit

ACTION:Consent

Ben J. Benoit

Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 10/9/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, 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 Gutierrez
Nays: None
Absent: None
Date: October 17, 2023
xc: Auditor Controller, Probation

Kimberly A. Rector
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	\$ 0.0	\$ 0.0
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:

BACKGROUND:

Summary

We completed a follow-up audit of the Probation Department. Our audit was limited to reviewing actions taken as of June 21, 2023, to correct findings noted in our original audit report 2022-010 dated March 22, 2022. The original audit report contained four recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that the four recommendations were implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-010 included as an attachment to this follow-up audit report, or it can also be found at <https://auditorcontroller.org/divisions/internal-audit/reports>.

Impact on Citizens and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller – Internal Audit Report 2024-302: Riverside County Probation Department, Follow-up Audit.

Office of Ben J. Benoit
Riverside County Auditor-Controller

4080 Lemon Street, 11th Floor

Riverside, CA 92509

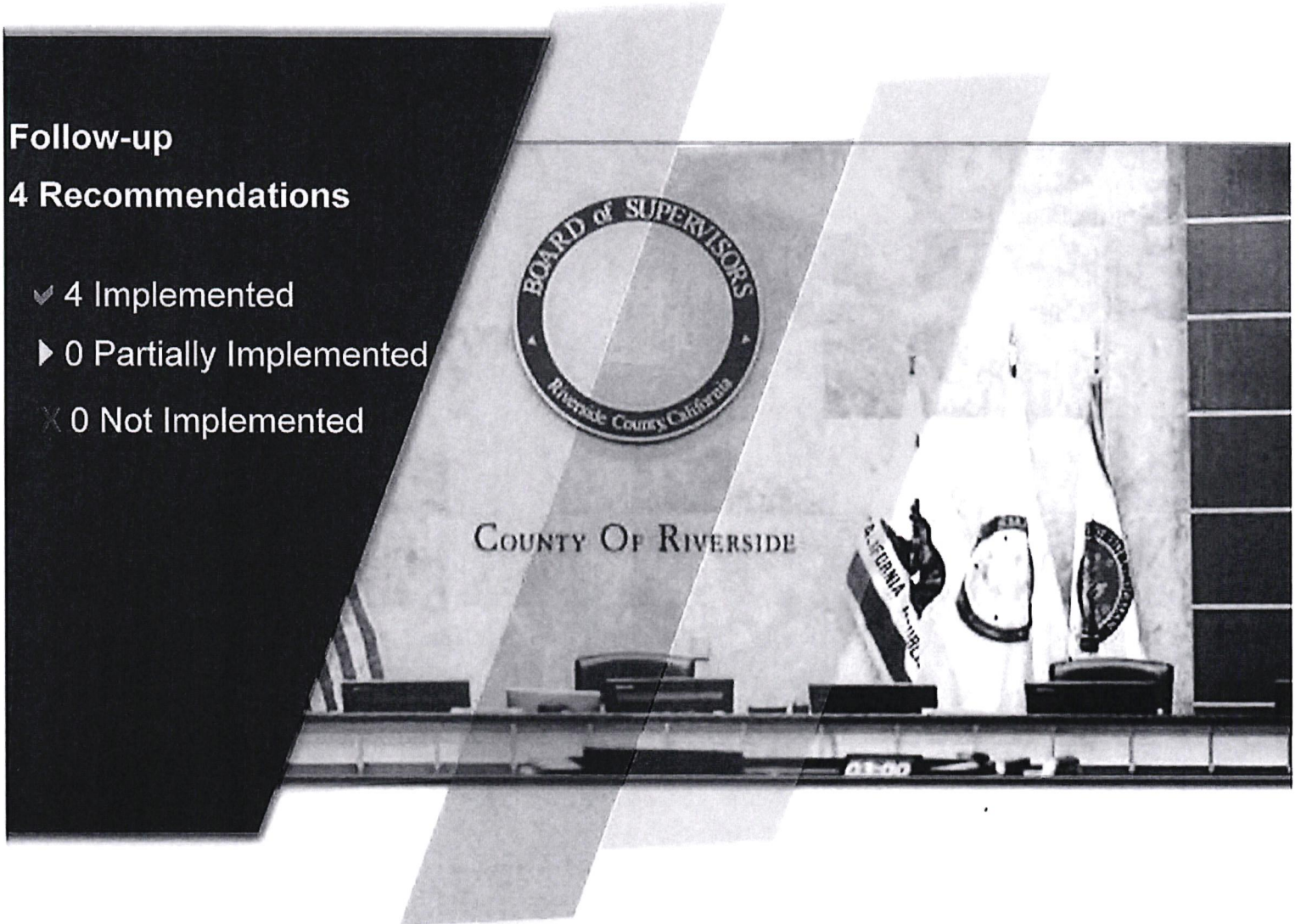
(951) 955-3800

Internal Audit Report 2024-302

Follow-up

4 Recommendations

- ✓ 4 Implemented
- ▶ 0 Partially Implemented
- ✗ 0 Not Implemented



**Riverside County
Probation Department**

October 17, 2023



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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CONTROLLER
COUNTY OF RIVERSIDE

Ben J. Benoit
County Auditor-Controller

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

October 17, 2023

Christopher H. Wright
Chief Probation Officer
Riverside County Probation Department
3960 Orange Street, Suite 600
Riverside, CA 92501

**Subject: Internal Audit Report 2024-302: Riverside County Probation Department,
Follow-up Audit**

Dear Chief Wright:

We completed the follow-up audit of Riverside County Probation Department. Our audit was limited to reviewing actions taken as of June 21, 2023, to help correct the findings noted in our original audit report 2022-010 dated March 22, 2022.

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 conclusion.

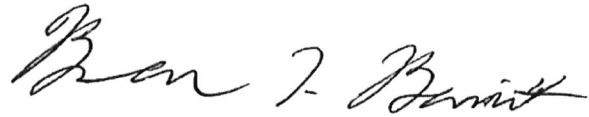
The original audit report contained four recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the four recommendations all four were implemented.

Summary of the conditions from the original audit and the results of our review on the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-010 included as "Attachment A" of this audit report along with your department status

**Internal Audit Report 2024-302: Riverside County Probation Department, Follow-up
Audit**

letter as "Attachment B." You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit/reports>.

We thank you and your staff for the help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.



Ben J. Benoit
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Deputy Auditor-Controller

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

Internal Audit Report 2024-302: Riverside County Probation Department, Follow-up Audit

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Internal Audit Report 2024-302: Riverside County Probation Department, Follow-up Audit

Contracted Services

Finding 1: Monitoring of Day Reporting Center Services

“Probation is not monitoring day reporting center vendors for services in accordance with contract provisions. We identified the following deficiencies with two vendors in 20 (100%) out of 20 invoices reviewed:

- All ten invoices for Goodwill Industries of Southern California invoiced at an hourly rate of \$62.23 were not specified in the contract. This allowed the contractor to capture the maximum yearly contract amount of \$129,440 without providing detailed expense reports. Additionally, 5 out of 10 monthly invoices indicated one staff member split their time between the Riverside and Temecula locations, when the contract required a dedicated career service specialist for each site. As such, Goodwill Industries of Southern California did not consistently staff day reporting centers at the minimum 20 hours per week as required in the service agreement.
- All ten invoices reviewed against monthly outcome reports indicated the onsite hours did not meet the minimum 20 hour per week staffing requirement. Desert Best Friend's Closet submitted invoices that divided the maximum contract amount of \$70,000 throughout the year, which did not show detail of staffing hours, services provided, and expenses incurred.

Per Probation’s contract agreements with day reporting centers, monthly invoices should be detailed to the outline payment provisions to include salaries, operating costs, and supplies. Probation does not have a uniform process for monitoring day reporting centers that would ensure compliance with contract requirements. As a result, expenses incurred for day reporting centers do not accurately reflect the level of services and outcomes of re-entering former offenders into society. Reduced services and staff availability directly impacts Probation’s mission to optimize positive change in their clientele.”

Recommendation 1.1

“Establish formal procedures for consistent monitoring of day reporting center activities to ensure contract compliance and accuracy in monthly reported outcomes.”

Current Status 1.1: Implemented

Internal Audit Report 2024-302: Riverside County Probation Department, Follow-up Audit

Recommendation 1.2

“Document the review and approval process for payments to vendors of day reporting centers to align with contract compliance monitoring in a manner that is uniform and readily accessible to pertinent staff.”

Current Status 1.2: Implemented

Finding 2: Monitoring of Juvenile Employment Coaching Services

“The review and approval of invoices for juvenile employment coaching services were inconsistent and did not ensure compliance with contract provisions and department procedures. We identified the following deficiencies in our review:

- Two (50%) out of four invoice supporting documentation contained juvenile client’s full names. Playa Vista Job Opportunities & Business Services contract states, “Contractor shall protect from unauthorized disclosure of names and other identifying information concerning persons receiving services.”
- One (25%) out of four Playa Vista Job Opportunities & Business Services invoices did not include supporting documentation for staffing hours and expense reports.

Standard Practice Manual 1001, *Internal Controls*, states, ‘County departments and agencies shall establish, document, and maintain an effective system of internal controls for promoting effectiveness and efficiency in operations,’ and “Records are routinely examined and reconciled to determined that transactions were properly processed. ‘Probation’s internal review and approval process does not address the adherence to contract requirements and protecting personal identifying information. Errors or unauthorized activities may go undetected when proper review and monitoring of contracted services are not in place.”

Recommendation 2.1

“Establish formal procedures for consistent monitoring of vendors to ensure compliance with contract provisions.”

Current Status 2.1: Implemented

Internal Audit Report 2024-302: Riverside County Probation Department, Follow-up
Audit

Recommendation 2.2

“Document the review and approval process for payments to vendors that aligns with contract compliance monitoring in a manner that is uniform and readily accessible to pertinent staff.”

Current Status 2.2: Implemented

Attachment A

Internal Audit Report 2022-010

**Riverside County Probation Department
Audit**

Report Date: March 22, 2022



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800**

www.auditorcontroller.org



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CONTROLLER**
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

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

March 22, 2022

Ronald Miller
Chief Probation Officer
Riverside County Probation Department
3960 Orange Street, Suite 600
Riverside, CA 92501

**Subject: Internal Audit Report 2022-010: Riverside County Probation Department
Audit**

Dear Chief Miller:

In accordance with Board of Supervisors Resolution 83-338, we audited the Probation Department to provide management and the Board of Supervisors with an independent assessment of internal controls over contracted services and purchasing processes.

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.

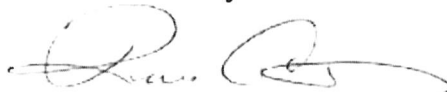
Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. 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 2022-010: Riverside County Probation Department 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

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Internal Audit Report 2022-010: Riverside County Probation Department Audit

Executive Summary

Overview

Riverside County Probation Department (Probation) operates two juvenile detention facilities, one youth treatment and education center, and 14 office locations countywide. Probation collaborates with law enforcement, social services, mental health, educational programs, and various other county agencies for purposes of serving the courts and protecting the community.

Probation activities are divided into four divisions:

- Field Services
- Institution Services
- Administrative and Business Services
- Juvenile Court Placement

The Field Services division performs investigations and community supervision to approximately 11,355 adults and 1,234 juvenile clients. Institution Services operates two juvenile detention facilities and a youth treatment and education center. Administrative and Business Services is responsible for activities involving research, evaluation, fiscal, and human resources. Juvenile Court Placement provides out-home-care assistance and court ordered psychological services for minors who are wards of the Juvenile Court.

Probation has an adopted budget of \$150 million for FY 2021-22 and 903 adopted positions. *County of Riverside, Fiscal Year 2021-22 Adopted Budget Volume 1, 261.*

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 contracted services and purchasing processes. 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. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Internal Audit Report 2022-010: Riverside County Probation Department Audit

Audit Scope and Methodology

We conducted the audit from August 18, 2021, through October 12, 2021, for operations from July 1, 2019, through October 12, 2021. Following a risk-based approach, our scope initially included the following:

- Complaints and Resolutions
- Contracted Services
- Compliance Checks and Home Visits
- Purchasing Processes

Through inquiry, observations, and limited examination of relevant documentation, it was determined through a risk assessment of the business processes for complaints and resolutions and compliance checks and home visits, that the risk exposure to the Probation Department associated with these processes are well mitigated with internal controls and are functioning as designed. Therefore, we focused our audit scope to internal controls over contracted services and purchasing processes.

Audit Highlights

Summary of Existing Conditions

- Probation Department does not monitor day reporting center and juvenile employment coaching contractors to ensure the services are billed appropriately and are meeting minimum requirements of the contract agreement. Improper monitoring of the delivery for services can result in misuse of funds and program inefficiencies.

Summary of Improvement Opportunities

- Establish formal procedures for monitoring of vendors and day reporting center activities.
- Ensure the delivery of contracted services are meeting the minimum requirements and invoices are reviewed for accuracy.

Audit Conclusion

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to contracted services.

Contracted Services

Background

Probation contracts with local agencies that provide services to fulfil supervision requirements and promote re-entry into society while reducing recidivism. Case plans are created for clients upon starting a court ordered probation term which includes a requirement to achieve goals outlined by the court. Probation Officers determine client needs through an assessment process. Factors considered include criminal, mental and physical history, living arrangements, level of education, work experience, and familial support systems.

Day reporting centers are provided by the department to deliver comprehensive services that promote rehabilitation for adult clients with assistance toward achieving established goals. Desert Best Friend's Closet and Goodwill Industries of Southern California are contracted by Probation to provide job placement and retention services at day reporting center locations in Riverside, Temecula, and Indio. Centers are staffed at a minimum of 20 hours per week to assist clients in person with case planning, job readiness and skills training. Monthly outcome reports are provided to Probation for monitoring of contractor efforts, success rates, and client participation.

Playa Vista Job Opportunities & Business Services provides case management services to juvenile clients. This includes teaching skills related to self-development, academics, employment, and other services to reduce juvenile delinquency. Additional services delivered by referring partners include mental and physical health assessments, counseling services, alcohol and drug treatment, and health, wellness and nutrition programs.

The Youth Accountability Team program was created in 2001 which was a collaboration with Probation, law enforcement, and the District Attorney's office. The program focused on prevention, intervention and suppression of juvenile delinquency. On July 24, 2019, the parties in the American Civil Liberties Union Foundation class action lawsuit against Riverside County alleging discrimination against juveniles agreed to a settlement requiring reform of the program. The settlement requires Riverside County to provide defense counsel and sealing and destruction of Youth Accountability Team records for all class members of the lawsuit. Probation obtained defense counsel services for Youth Accountability Team program youth through Burns and Oblanschinski in the western and mid-county regions, and Barbara M. Brand in the desert region of Riverside County.

Internal Audit Report 2022-010: Riverside County Probation Department Audit

Objective

To verify the existence and adequacy of internal controls over contracted service providers.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of purchasing policies and Standard Practice Manual 1001, *Internal Controls*.
- Obtained and reviewed a listing of all contracts and Memorandums of Understanding associated with Probation.
- Selected a sample of contractors related to day reporting centers, employment assistance, and legal support.
- Reviewed supporting documentation to determine compliance with the contract requirements.
- Analyzed reported outcomes for clients to determine compliance and success rates.
- Verified appropriate levels of management reviews and approvals.

Finding 1: Monitoring of Day Reporting Center Services

Probation is not monitoring day reporting center vendors for services in accordance with contract provisions. We identified the following deficiencies with two vendors in 20 (100%) out of 20 invoices reviewed:

- All ten invoices for Goodwill Industries of Southern California invoiced at an hourly rate of \$62.23 were not specified in the contract. This allowed the contractor to capture the maximum yearly contract amount of \$129,440 without providing detailed expense reports. Additionally, 5 out of 10 monthly invoices indicated one staff member split their time between the Riverside and Temecula locations, when the contract required a dedicated career service specialist for each site. As such, Goodwill Industries of Southern

Internal Audit Report 2022-010: Riverside County Probation Department Audit

California did not consistently staff day reporting centers at the minimum 20 hours per week as required in the service agreement.

- All ten invoices reviewed against monthly outcome reports indicated the onsite hours did not meet the minimum 20 hour per week staffing requirement. Desert Best Friend's Closet submitted invoices that divided the maximum contract amount of \$70,000 throughout the year, which did not show detail of staffing hours, services provided, and expenses incurred.

Per Probation's contract agreements with day reporting centers, monthly invoices should be detailed to the outline payment provisions to include salaries, operating costs, and supplies. Probation does not have a uniform process for monitoring day reporting centers that would ensure compliance with contract requirements. As a result, expenses incurred for day reporting centers do not accurately reflect the level of services and outcomes of re-entering former offenders into society. Reduced services and staff availability directly impacts Probation's mission to optimize positive change in their clientele.

Recommendation 1.1

Establish formal procedures for consistent monitoring of day reporting center activities to ensure contract compliance and accuracy in monthly reported outcomes.

Management's Response

"Partially Concur. Goodwill Industries of Southern California (Contractor) made a request to the Probation Department's (Probation) to utilize one staff at 100% (40 hours) to service both locations meeting the minimum contractual requirement of 20 hours per location in lieu of two staff. On the second position, the Contractor was not able to find a candidate able to pass Probation's contractually required background process for over a year. To maintain compliance with the contracted services and background requirements, Probation authorized the use of one position for both locations.

Per Request for Proposal number PRARC-084, Tab H Cost Proposal, H 1.0 (Tab H Cost Proposal) "Bidder has two options for submitting project financial information. A) Fee per placement with documentation supporting how fee was developed including any additional charge for six months of job retention. OR B) A line-item budget for the project". Contractor's contract was developed using option B (line-item budget) however the invoices were utilizing option A (Fee or hourly rate).

Internal Audit Report 2022-010: Riverside County Probation Department Audit

Probation will notify Contractor of the contractual requirement of option B and require the vendor to submit a line-item detail invoice as stipulated in the Contractor's Professional Services Agreement Exhibit B, Payment Provisions, in lieu of invoicing at an hourly rate.

Probation will create a formal internal procedure for all contracted services which includes activities at the day reporting centers to ensure contract compliance and accuracy in the monthly reported outcomes. The procedure will list the required supporting documentation (per awarded contractor), outcome measures and the contractual breakdown of cost on the vendors invoice (per each agreements' payment provisions exhibit) prior to the approval of payment by all pertinent staff. Probation will also conduct training based on the created policy to ensure all pertinent staff are properly trained to implement the procedure."

Actual/estimated Date of Corrective Action: March 31, 2022

Auditor's comments:

The scope of work within a contract should be clearly defined with accurate information. Any changes to the scope of work agreed upon between the contractor and Probation should be reflected in an amended scope of work. This will ensure both parties are aware of their responsibilities within a contract as well as the methods to be used in fulfilling contract obligations.

Recommendation 1.2

Document the review and approval process for payments to vendors of day reporting centers to align with contract compliance monitoring in a manner that is uniform and readily accessible to pertinent staff.

Management's Response

"**Concur.** Probation will create a formal internal procedure for all contracted services which includes activities at the day reporting centers to ensure contract compliance and accuracy in the monthly reported outcomes. The procedure will list the required supporting documentation (per awarded contractor), outcome measures and the contractual breakdown of cost on the vendors invoice (per each agreements' payment provisions exhibit) prior to the approval of payment by all pertinent staff. Probation will

Internal Audit Report 2022-010: Riverside County Probation Department Audit

also conduct training based on the created policy to ensure all pertinent staff are properly trained to implement the procedure.”

Actual/estimated Date of Corrective Action: March 31, 2022

Finding 2: Monitoring of Juvenile Employment Coaching Services

The review and approval of invoices for juvenile employment coaching services were inconsistent and did not ensure compliance with contract provisions and department procedures. We identified the following deficiencies in our review:

- Two (50%) out of four invoice supporting documentation contained juvenile client’s full names. Playa Vista Job Opportunities & Business Services contract states, “Contractor shall protect from unauthorized disclosure of names and other identifying information concerning persons receiving services.”
- One (25%) out of four Playa Vista Job Opportunities & Business Services invoices did not include supporting documentation for staffing hours and expense reports.

Standard Practice Manual 1001, *Internal Controls*, states, “County departments and agencies shall establish, document and maintain an effective system of internal controls for promoting effectiveness and efficiency in operations,” and “Records are routinely examined and reconciled to determined that transactions were properly processed.” Probation’s internal review and approval process does not address the adherence to contract requirements and protecting personal identifying information. Errors or unauthorized activities may go undetected when proper review and monitoring of contracted services are not in place.

Recommendation 2.1

Establish formal procedures for consistent monitoring of vendors to ensure compliance with contract provisions.

Management’s Response

“Concur. Probation will create a formal internal procedure for all contracted services which includes the contracted services with Playa Vista Job Opportunities & Business Services to ensure compliance and accuracy with contracted terms and conditions. The procedure will list the required supporting documentation (per awarded contractor),

Internal Audit Report 2022-010: Riverside County Probation Department Audit

outcome measures and the contractual breakdown of cost on the vendors invoice (per each agreements' payment provisions exhibit) prior to the approval of payment by all pertinent staff. The procedure will list which supporting documentation should be uploaded into RivCoPro and which should be maintain within Probation records to ensure compliance with unauthorized disclosure of information. Probation will also conduct training based on the created policy to ensure all pertinent staff are properly trained to implement the procedure."

Actual/estimated Date of Corrective Action: March 31, 2022

Recommendation 2.2

Document the review and approval process for payments to vendors that aligns with contract compliance monitoring in a manner that is uniform and readily accessible to pertinent staff.

Management's Response

"**Concur.** Probation will create a formal internal procedure for all contracted services which includes the contracted services with Playa Vista Job Opportunities & Business Services to ensure compliance and accuracy with contracted terms and conditions. The procedure will list the required supporting documentation (per awarded contractor), outcome measures and the contractual breakdown of cost on the vendors invoice (per each agreements' payment provisions exhibit) prior to the approval of payment by all pertinent staff. The procedure will list which supporting documentation should be uploaded into RivCoPro and which should be maintain within Probation records to ensure compliance with unauthorized disclosure of information. Probation will also conduct training based on the created policy to ensure all pertinent staff are properly trained to implement the procedure."

Actual/estimated Date of Corrective Action: March 31, 2022

Purchasing Process

Background

The Riverside County Purchasing and Fleet Services Department is responsible for implementing policies and procedures set forth in the Purchasing Policy Manual (September 1, 2016). The Director of Purchasing is the Purchasing Agent for Riverside County. Purchasing authority is granted to Riverside County staff, varying in levels of position and amount. See Table A for a summary of delegation of purchasing authority.

Table A: Delegation of Purchasing Authority

Position	Purchase Order Authority	PO's Against PeopleSoft Contracts
Low Value Purchase Authority (LVPA)	\$5,000 per day per vendor	\$25,000 per day per vendor
Buyer I	\$25,000 per day per vendor	\$100,000 per day per vendor
Buyer II	\$50,000 per day per vendor	\$100,000 per day per vendor

Expenditures of \$5,000 or greater, require departments to seek at least three written quotes from potential vendors to ensure the best use of taxpayer dollars. The Purchasing Manual describes split purchase orders as follows, "Deliberate attempts to split orders, where the purpose is keeping total cost of each order down below bid limits, and failure to combine orders when practical for the best interest of the County in order to circumvent the limitations, is prohibited and may result in disciplinary actions reduced or suspended purchasing authority."

Objective

To verify the adequacy and existence of internal controls over purchasing processes.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of board policies and applicable standards.
- Obtained a listing of all expenditures for Probation.

Internal Audit Report 2022-010: Riverside County Probation Department Audit

- Obtained a listing of all Probation staff with delegated purchasing authority.
- Analyzed department expenditure data for the audit period to determine whether applicable discounts were captured.
- Analyzed department expenditure data for the audit period to determine whether there were instances of split purchase orders at the \$5,000 and \$25,000 limitations.

Finding: None Noted

Based upon the results of our audit, we determined internal controls over purchasing processes provide reasonable assurance that its objective related to this area will be achieved.

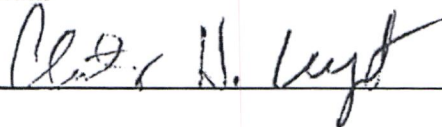
Attachment B

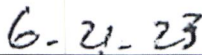


RIVERSIDE COUNTY PROBATION DEPARTMENT
Serving Courts • Protecting Our Community • Changing Lives



The following are the status of the reported findings and planned corrective actions contained in Internal Audit Report 2022-010: Riverside County Probation Department Audit.





Authorized Signature

Date

Finding 1: Monitoring of Day Reporting Center Services

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- All ten invoices reviewed against monthly outcome reports indicated the onsite hours did not meet the minimum 20 hour per week staffing requirement. Desert Best Friend's Closet submitted invoices that divided the maximum contract amount of \$70,000 throughout the year, which did not show detail of staffing hours, services provided, and expenses incurred.

Per Probation's contract agreements with day reporting centers, monthly invoices should be detailed to the outline payment provisions to include salaries, operating costs, and supplies. Probation does not have a uniform process for monitoring day reporting centers that would ensure compliance with contract requirements. As a result, expenses incurred for day reporting centers do not accurately reflect the level of services and outcomes of re-entering former offenders into society. Reduced services and staff availability directly impacts Probation's mission to optimize positive change in their clientele.

Current Status

Reported Finding Corrected? Yes No

On March 29, 2022, Probation created and implemented a formal internal procedure within the Fiscal Services Division. The procedure outlines the process of tracking each vendors expenditures, required supporting documentation, outcome measures and the contractual breakdown of the cost. Prior to the approval of any payment the supporting documents are uploaded into PeopleSoft Financials System, formally RivcoPro. Probation continues to maintain all electronic records to ensure compliance with unauthorized disclosure of information and record retention schedules. On April 4, 2022, training was held for all managers, relevant program staff and fiscal personnel that work directly with our contracted vendors. All corrective actions are fully implemented and maintained by the Probation Department at this time.

Recommendation 1.1

Establish formal procedures for consistent monitoring of day reporting center activities to ensure contract compliance and accuracy in monthly reported outcomes.

Management Reply

“Partially Concur. Goodwill Industries of Southern California (Contractor) made a request to the Probation Department's (Probation) to utilize one staff at 100% (40 hours) to service both location meeting the minimum contractual requirement of 20 hours per location in lieu of two staff. On the position, the Contractor was not able to find a candidate able to pass Probation's contractually required background process for over a year. To maintain compliance with the contracted services background requirements, Probation authorized the use of one position for both locations.

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Probation will notify Contractor of the contractual requirement of option B and require the vendor to submit a line-item detail invoice as stipulated in the Contractor's Professional Services Agreement Exhibit B, Payment Provisions, in lieu of invoicing at an hourly rate.

Probation will create a formal internal procedure for all contracted services which includes activities at the day reporting centers to ensure contract compliance and accuracy in the monthly reported outcomes. The procedures will list the required supporting documentation (per awarded contractor), outcome measures and the contractual breakdown of cost on the vendor's invoice (per each agreements' payment provisions exhibit) prior to the approval of payment by all pertinent staff. Probation will also conduct training based on the created policy to ensure all pertinent staff are properly trained to implement the procedure.

Actual/estimated Date of Corrective Action: March 31, 2022

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

On March 29, 2022, Probation created and implemented a formal internal procedure within the Fiscal Services Division. The procedure outlines the process of tracking each vendors expenditures, required supporting documentation, outcome measures and the contractual breakdown of the cost. Prior to the approval of any payment the supporting documents are uploaded into PeopleSoft Financials System, formally RivcoPro. Probation continues to maintain all electronic records to ensure compliance with unauthorized disclosure of information and record retention schedules. On April 4, 2022, training was held for all managers, relevant program staff and fiscal personnel that work directly with our contracted vendors. All corrective actions are fully implemented and maintained by the Probation Department at this time.

Recommendation 1.2

Document the review and approval process for payments to vendors of day reporting centers to align with contract compliance monitoring in a manner that is uniform and readily accessible to pertinent staff.

Management Reply

"Concur. Probation will create a formal internal procedure for all contracted services which includes activities at the day reporting centers to ensure compliance and accuracy in the monthly reported outcomes. The procedure will list the required supporting documentation (per awarded contractor), outcome measures and the contractual breakdown of cost on the vendors invoice (per each agreements' payment provisions exhibit) prior to the approval of payment by all pertinent staff. Probation will also conduct training based on the created policy to ensure all pertinent staff are properly trained to implement the procedure."

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Finding 2: Monitoring of Juvenile Employment Coaching Services

The review and approval of invoices for juvenile employment coaching services were inconsistent and did not ensure compliance with contract provisions and department procedures. We identified the following deficiencies in our review:

- Two (50%) out of four invoice supporting documentation contained juvenile client's full names. Playa Vista Job Opportunities & Business Services contract states, "Contractor shall protect from unauthorized disclosure of names and other identifying information concerning persons receiving services."
- One (25%) out of four Playa Vista Job Opportunities & Business Services invoices did not include supporting documentation for staffing hours and expense reports.

Standard Practice Manual 1001, Internal Controls, states, "County departments and agencies shall establish, document and maintain an effective system of internal controls for promoting effectiveness and efficiency in operations," and "Records are routinely examined and reconciled to determined that transactions were properly processed." Probation's internal review and approval process does not address the adherence to contract requirements and protecting personal identifying information. Errors or unauthorized activities may go undetected when proper review and monitoring of contracted services are not in place.

Current Status

Reported Finding Corrected? Yes No

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Recommendation 2.1

Establish formal procedures for consistent monitoring of vendors to ensure compliance with contract provisions.

Management Reply

"**Concur.** Probation will create a formal internal procedure for all contracted services which includes the contracted services with Playa Vista Job Opportunities & Business Services to ensure compliance and accuracy with contracted terms and conditions. The procedure will list the required supporting documentation (per awarded contractor), outcome measures and the contractual breakdown of cost on the vendors invoice (per each agreements' payment provisions exhibit) prior to the approval of payment by all pertinent staff. The procedure will list which supporting documentation should be uploaded into RivCoPro and which should be maintain within Probation records to ensure compliance with unauthorized disclosure of information. Probation will also conduct training based on the created policy to ensure all pertinent staff are properly trained to implement the procedure."

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Management Reply

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