

AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

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LARRY WALKER
Auditor-Controller/
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September 27, 2012

Michelle Scray, Chief Probation Officer
Probation Department
175 West Fifth Street
San Bernardino, CA 92415-0460

SUBJECT: SINGLE AUDIT FOLLOW-UP

Introductory Remarks

In compliance with Article V, Section 6, of the San Bernardino County Charter, the Board of Supervisor's Policy Statement on Internal Operational Auditing and OMB Circular A-133, we have completed a follow-up audit of the implementation of recommendations noted in the County of San Bernardino's Single Audit for the fiscal year ended June 30, 2010 (FY10) for the Probation Department (Department).

Background

The Single Audit Act Amendments of 1996 and OMB Circular A-133 require nonfederal entities that expend \$500,000 or more of federal awards in a fiscal year to have a single or program specific audit. The county's external auditors, Vavrinek, Trine, Day & Co., LLP (VTD), conducted the county's FY10 single audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133. VTD issued the report on March 31, 2011. In accordance with OMB Circular A-133, the auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the county prepared a summary schedule of prior audit findings that included status of all audit findings included in the prior audit's schedule of findings relative to federal awards. Our schedule was provided to VTD, the County Executive Officer and the Board of Supervisors.

Objectives, Scope and Methodology

The objective of this follow-up audit was to determine whether the Probation Department implemented the recommendations contained in the FY10 Single Audit report.

To achieve this objective we:

- Reviewed implemented procedures
- Interviewed departmental staff
- Examined supporting documentation

Conclusion

The Department implemented formal procedures for maintaining evidence of the official management review and approval of both the time study report and the quarterly Performance Measurement Tools Reports.

Prior Audit's Observations, Findings and Recommendations with Current Status

The details of the prior audit's observations, findings and recommendations and their implementation status are below:

FINDING 2010-01: Lack of internal controls over reporting.

Program: ARRA – Edward Byrne Memorial Justice Assistance Grant

Significant deficiency – Through our test of the client's internal controls related to the reporting compliance requirements, it's noted that no evidence of official management review and approval was provided for the monthly Job Data Collection Forms and the quarterly Performance Measurement Tool Reports.

Recommendation:

We recommend the Department implement procedures for periodic monitoring of all time study reports to ensure compliance with the Department of Justice reporting requirements.

View of Responsible Official and planned Corrective Actions:

Effective March 1, 2011, the Probation Department implemented formal procedures for management to review and approve time study reports. Also, management will write and establish guidelines regarding staff responsibilities for their compilations.

Current Status: Implemented

Management has fully implemented the corrective actions for documenting their review and approval of both the time study reports and the quarterly Performance Measurement Tool Reports.

Further Recommendation

We further recommend that the Department communicate all control procedures to management and department personnel so they can effectively perform their respective job duties.

Management's Response

Noted. Personnel have been trained on their respective duties.

Auditor's Response

The corrective action conducted by management, along with ongoing communication of the Department's policies and procedures to management and department personnel, sufficiently mitigates the risk of reoccurrence.

Thank you for the cooperation extended by your staff during the course of this audit.

Respectfully submitted,

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Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

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