

AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



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Auditor-Controller/
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May 13, 2013

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

SUBJECT: PROBATION DEPARTMENT BIENNIAL FOLLOW-UP

Introductory Remarks

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 02-02 entitled Internal Operational Auditing, the Internal Control and Cash Manual (ICCM) and Welfare and Institutions Code 275 (b), we have completed a follow-up audit of the accounting records relating to the Probation Department's (Department) juvenile trust funds. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

Background

Juvenile Trust Funds are authorized by statute and administered by the Department for the benefit, education, and general welfare of youth in the custody of the Department.

Objectives, Scope and Methodology

The objective of this follow-up audit was to determine whether the Department implemented the two recommendations contained in the prior audit report, *Probation Department Biennial Follow-up Audit* issued March 5, 2009. Fieldwork for this follow-up was completed on March 12, 2013. To determine the implementation status of the recommendations, we:

- interviewed Department staff
- reviewed and analyzed trust fund policies and procedures

Conclusion

The Department has implemented both of the recommendations from the prior audit report. A draft report was given to the Department on 04/29/2013 and the results were discussed with management on 04/29/2013. The prior findings and recommendations along with their current implementation status are shown below.

Prior Audit's Findings and Recommendations with Current Status

Prior Finding: (January 2003) - Bank statements were not reconciled timely.

Recommendation #2- The department should ensure that all aspects of fiscal operations are clearly documented in an up-to-date procedures manual. Procedures must comply with County policies.

Management Response - The procedure is nearing completion and was provided to the audit team for review and input at the time of this follow-up audit in July 2008. It was returned with comments during the exit interview in February 2009 and we are in the process of finalizing the procedure, with a target completion date of March 31, 2009.

Current Status: Implemented

Prior Finding: (June 2007) - Established procedures for Trust Fund Withdrawals were not enforced.

Recommendation #5 - We acknowledge the Department has made improvement in disbursements of juvenile trust funds. However, all aspects of a department's operations should be clearly documented in an up-to-date procedures manual. The procedures should include sufficient information to permit an individual who is unfamiliar with the operations to perform the necessary financial activities.

Management's Response - The procedure is nearing completion and was provided to the audit team for review and input at the time of this follow-up audit in July 2008. It was returned with comments during the exit interview in February 2009 and we are in the process of finalizing the procedure, with a target completion date of March 31, 2009.

Current Status: Implemented

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

AudRpt/Michelle Scray Brown, Chief Probation Officer
Probation Department
May 13, 2013
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Respectfully submitted,

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