

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



ITEM: 2.7
(ID # 18859)

MEETING DATE:
Tuesday, April 26, 2022

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2022-313: Riverside County Probation Department Follow-up Audit, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2022-313: Riverside County Probation Department Follow-up Audit

ACTION:Consent

Tanya Harris

Tanya Harris, Assistant Auditor Controller 4/12/2022

MINUTES OF THE BOARD OF SUPERVISORS

**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	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
NET COUNTY COST	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	n/a

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

We completed a follow-up audit of the Probation Department. Our audit was limited to reviewing actions taken as of March 16, 2022, to correct findings noted in our original audit report 2020-003 dated March 12, 2020. The original audit report contained three recommendations, all of which required implementation to help correct the reported findings.

Please see report for audit results.

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 - Internal Audit Report 2022-313: Riverside County Probation Department Follow-up Audit.

Internal Audit Report 2022-313

**Riverside County Probation Department
Follow-up Audit**

Report Date: April 26, 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



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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Paul Angulo, CPA, MA
Riverside County Auditor-Controller

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

April 26, 2022

Ronald L. Miller
Chief Probation Officer
Probation Department
3960 Orange St., Ste. 600
Riverside, CA 92501

**Subject: Internal Audit Report 2022-313: Riverside County Probation Department
Follow-up Audit**

Dear Mr. Miller:

We completed the follow-up audit of Riverside County Probation Department. Our audit was limited to reviewing actions taken as of March 16, 2022, to help correct the findings noted in our original audit report 2020-003 dated March 12, 2020.

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 three recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the three recommendations, all three 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

Internal Audit Report 2022-313: Riverside County Probation Department, Follow-up Audit

in-depth understanding of the original audit, please refer to Internal Audit Report 2020-003 at [www.auditorcontroller.org/ Divisions/ Audits and Specialized Accounting/ Internal Audit Reports](http://www.auditorcontroller.org/Divisions/Audits%20and%20Specialized%20Accounting/Internal%20Audit%20Reports).

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Chief Internal Auditor

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

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Application Controls

Finding 1: Untimely Termination of User Access Rights

Fifteen out of a sample of 15 (100%) of user accounts in Juvenile and Audit Management System (JAMS) were not terminated on the employees day of termination or transfer from the department. County of Riverside Information Security Standard v1 .0, Section 4.1, *Account and Access Management*, states "Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." Probation does not have a formal process in place to immediately terminate user access rights. Furthermore, JAMS does not have the ability to track the date in which access rights were terminated. Not terminating user access rights timely increases the risk of unauthorized access to sensitive information.

Recommendation 1.1

Establish policies and procedures for the immediate termination of user access rights for terminated or transferred employees.

Current Status 1.1: Implemented

Recommendation 1.2

Establish a process to document the date in which user access rights are terminated within JAMS.

Current Status 1.2: Implemented

Delivery of Services

Finding 2: Lack of Contractor Monitoring

Probation is not adequately monitoring contractors to ensure department is correctly billed for services provided. We identified the following in our review of invoices and supporting documentation:

- Eight of the 17 (47%) Pacific Toxicology Laboratories invoices contained erroneous charges for drug testing services. The pricing discrepancy was due to drug test misscoding by Pacific Toxicology Laboratories which resulted in Probation being overbilled in the amount of \$1,686 in the 17 invoices reviewed.
- Probation's contract with Communities 4 Children lacks detail as to how the contractor will be compensated for services provided. Based on our review of invoices and supporting documentation from Communities 4 Children, contractor is billing an hourly rate of \$250 which is not specified in the contract.
- Based on our review of invoices for youth outreach counseling services, we identified the following that is in conflict with the contracts:
 - Youth outreach counselors exceeded the 80 monthly hour work limit per site. Per contracts, youth outreach counselors should not exceed 80 hours of work per month per youth accountability team site in order to stay under the contracted amount.
 - Youth outreach counselors worked at three different sites in one month, exceeding the two site limit restriction specified in the contracts.
 - Invoice supporting documentation contained juvenile client's full names. The contracts timesheet templates indicate youth outreach counselors are only required to input the first and last initial of clients seen. Contractor failed to protect the identities of juvenile clients by disclosing privileged confidential information in invoice supporting documentation.
 - Youth outreach counselors reported non worked holiday hours which were paid out by Probation. Per the contracts for youth counseling services, "contractor (including its employees, agents, and subcontractors) shall in no event be entitled to ... injury leave or other leave benefits."

Internal Audit Report 2022-313: Riverside County Probation Department, Follow-up Audit

- Probation Officer signed off on a youth outreach counselors timesheet who reported hours not actually worked and invoice was paid by Probation.
- Youth outreach counselor submitted only one timesheet for work performed at two different sites. Per the contracts with youth outreach counseling services, counselors are required to utilize one monthly timesheet per site worked.
- Invoices were paid by Probation without supporting documentation for invoiced amount. The contracts require youth outreach counselors to report to Probation the hours worked, locations worked, and details of activities performed each work day.
- Youth outreach counselors did not provide sufficient information to detail all work completed throughout the month at sites worked. The contracts require youth outreach counselors to describe activities performed on each work day.

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." Probation management stated issues with invoices and supporting documentation were not identified due to department oversight. Not adequately monitoring contractor and reviewing the supporting documentation for invoices increases the risk of theft, loss, contract non-compliance and paying for services not rendered.

Recommendation 2

Develop policies and procedures to ensure invoice for all contracts are adequately reviewed.

Current Status 2: Implemented

Attachment A

Internal Audit Report 2020-003

**Riverside County
Probation Department
Audit**

Report Date: March 12, 2020



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

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Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Oscar Valdez
Assistant Auditor-Controller

March 12, 2020

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

Subject: Internal Audit Report 2020-003: Riverside County Probation Department Audit

Dear Mr. Miller:

In accordance with Board of Supervisors Resolution 83-338, we completed an audit of the Riverside County Probation Department to provide management and the Board of Supervisors with an independent assessment of internal controls over application controls, cost recovery, and delivery of services.

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.

Based upon the results of our audit, we:

- 1) Determined internal controls over cost recovery provide reasonable assurance that its objective related to this area will be achieved.
- 2) Identified opportunities for improvement of internal controls relating to timely termination of user access rights to the department's systems. Specifically, Probation does not have a process in place to immediately terminate user access rights.

Internal Audit Report 2020-003: Riverside County Probation Department Audit

- 3) Identified opportunities for improvement of internal controls relating to contractor monitoring. Specifically, Probation is not adequately monitoring contractors to ensure department is correctly billed for services provided.

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
George Johnson, County Executive Officer
Grand Jury

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Executive Summary

Overview

Riverside County Probation Department (Probation) operates three juvenile detention facilities and has 14 office locations countywide. Probation provides Riverside County with three services: field services, institution services, administrative and business services. Field services provide investigation and supervision for both juvenile and adult offenders. Institution services operate the three juvenile detention facilities. Administrative and business provides research, evaluation, and human resources services. Probation has a recommended budget of \$143.2 million for FY 2019-20 and 1,089 current authorized positions.

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 application controls, cost recovery, and delivery of services. 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.

Audit Scope and Methodology

We conducted the audit from July 1, 2019, through November 15, 2019, for operations from July 1, 2017, through November 15, 2019. Following a risk based approach, our scope initially included the following:

- Application controls
- Capital asset tracking
- Court recover – Court Revenue
- Delivery of services
- Monitoring of Probation clients

Through inquiry, observations, and examination of relevant documentation, we reduced our scope to application controls, cost recovery, and delivery of services.

Audit Highlights

Existing Conditions

The current processes have not mitigated the following areas:

- Probation does not terminate user access rights to system containing sensitive information in a timely manner.

Internal Audit Report 2020-003: Riverside County Probation Department Audit

- Probation is not adequately monitoring contractors to ensure department is correctly billed for services provided.

Improvement Opportunities

The improvement opportunities are in the following areas:

- Establish policies and procedures for the immediate termination of user access rights for terminated or transferred employees.
- Establish a process to document the date in which user access rights are terminated within the Juvenile and Adult Management System.
- Develop policies and procedures to ensure all invoices received from service providers are adequately reviewed.

Audit Conclusion

Based upon the results of our audit, we:

- 1) Determined internal controls over cost recovery provide reasonable assurance that its objective related to this area will be achieved.
- 2) Identified opportunities for improvement of internal controls relating to timely termination of user access rights to the department's systems. Specifically, Probation does not have a process in place to immediately terminate user access rights.
- 3) Identified opportunities for improvement of internal controls relating to contractor monitoring. Specifically, Probation is not adequately monitoring contractors to ensure department is correctly billed for services provided.

Application Controls

Background

The Juvenile and Adult Management System (JAMS) is an in-house developed case management system used by Probation to maintain records of client cases assigned to the department. Information maintained in JAMS includes, but is not limited to, client demographics, addresses, court records, relationships, medical, and financial information. In addition, Probation utilizes JAMS to document contact between clients and Probation officers.

Sensitive information consists of privileged or proprietary information that only certain individuals are allowed to access and not available to everyone. Information is considered sensitive when the loss or misuse of the information by an unauthorized party can adversely affect the welfare of an individual or an organization.

Objective

To verify the adequacy of application controls over Probation's case management system.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of applicable standards
- Conducted interviews and performed walk-throughs with department's personnel
- Determined if adequate segregation of duties exist within JAMS
- Selected a sample of terminated and active employees to perform detailed testing
- Determined if terminated employees had access to JAMS
- Determined if active employees completed required training prior to obtaining access to JAMS
- Reviewed the dates of employee termination and time termination of access rights in JAMS

Finding 1: Untimely Termination of User Access Rights

Fifteen out of a sample of 15 (100%) of user accounts in JAMS were not terminated on the employees day of termination or transfer from the department. County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, states "Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." Probation does not have a formal process in place to immediately terminate user access rights. Furthermore, JAMS does not have the ability to track the date in which access rights were terminated. Not terminating user access rights timely increases the risk of unauthorized access to sensitive information.

Recommendation 1.1

Establish policies and procedures for the immediate termination of user access rights for terminated or transferred employees.

Management's Response:

"**Concur.** The systems tested and reviewed have electronic flags that will not allow separated employees access to the noted systems, and the network is limited to access via county computers only. However, to ensure compliance with the County of Riverside Information Security Standard, v1.0, Section 4.1, the Probation Department will immediately implement a process for notifying RCIT to terminate, disable or remove system access on the day of termination or transfer. This process of submitting RCIT trouble tickets will also be utilized to track the date in which JAMS access rights are terminated."

Actual/estimated Date of Corrective Action: **Immediately**

Recommendation 1.2

Establish a process to document the date in which user access rights are terminated within JAMS.

Management's Response:

"**Concur.** See above response, Recommendation 1.1."

Actual/estimated Date of Corrective Action: **Immediately**

Cost Recovery

Background

The Memorandum of Understanding between the County of Riverside and the Superior Court of California, County of Riverside (Courts), allows Court to “manage a comprehensive program to collect delinquent fees, fines, forfeitures, penalties, and assessments on behalf of the County.” Probation provides Courts with client supervision, drug testing, and inter-county transfer services which are reimbursable upon collection by Courts.

Probation performs routine case supervision level review assessments to determine if Probation clients are at the appropriate risk level. The risk level of a client will determine the level, frequency, and cost of supervision services provided by Probation. Supervision level changes are updated within JAMS by the appropriate Probation staff. Courts are then notified of the supervision level change via an automatic memo that is sent from JAMS. A client’s court record is updated by Courts to reflect the current supervision level which will impact the amount for services provided by Probation. The client’s financial ability to pay is determined by the Courts.

Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment of internal controls cost recovery.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding applicable standards, laws and regulations
- Conducted interviews and performed walk-throughs with Probation and Court
- Selected a sample of adult Probation clients to perform detailed testing

Finding: None Noted

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

Delivery of Services

Background

Pacific Toxicology Laboratories is a countywide laboratory drug testing and collection service provider. As a requirement of probation and court orders, drug tests are performed for adult and juvenile clients at multiple Probation office locations across Riverside County. Probation has a current contract with Pacific Toxicology Laboratories to provide the required drug testing services as well as chain of custody, forensic testing, and expert witness testimonies.

As a result of the Juvenile and Justice Crime Prevention Act, Communities 4 Children was contracted by Probation to provide a wide array of services to reduce crime and delinquency among at-risk youth. Communities 4 Children delivers services to youth released from juvenile detention facilities, youth under the supervision of Probation, or any other youth that is at risk of juvenile delinquency. Services provided by Communities 4 Children include but are not limited to job training skills, mentoring, basic life skills, self-help groups, and truancy prevention programs.

Boys and Girls Club of Club of Coachella Valley, Studentnest Foundation, and Operation Safehouse are contracted by Probation to provide youth outreach counseling Youth Accountability Team Service sites throughout Riverside County. Services provided by contracted Youth Outreach Counselors include the following: supervision, mentoring, counseling, parental support, and access to mental health needs for troubled youth. Youth client information is considered confidential and contractor should protect from unauthorized disclosure of names or other identifying information. Youth outreach counselors responsibilities are as follows:

- Maintain accurate records of time spent with clients and submit to Probation Officers monthly for authorization.
- Each youth outreach counselor may only work at a maximum of two sites per month and must utilize one monthly timesheet per site worked. In addition, youth outreach counselors must stay within 80 hours per month to stay within contracted amount.

Objective

To verify the adequacy of internal controls over delivery of services.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of applicable standards.
- Conducted interviews and performed walk-throughs with department personnel.
- Obtained and reviewed a listing of all contracts and MOU's associated with Probation.

Internal Audit Report 2020-003: Riverside County Probation Department Audit

- Selected a sample of five contractors to determine if adequate controls exist over contractor monitoring.
- Selected a sample 17 out of a total population of 153 invoices from the current contract with Pacific Toxicology Laboratories to determine if contractor billings are adequately monitored.
- Selected a sample of six invoices from Communities 4 Children to determine contract compliance.
- Selected a sample of 14 youth outreach counseling services invoices to determine if contractors are adequately monitored as it relates for billing and services provided.

Finding 2: Lack of Contractor Monitoring

Probation is not adequately monitoring contractors to ensure department is correctly billed for services provided. We identified the following in our review of invoices and supporting documentation:

- Eight of the 17 (47%) Pacific Toxicology Laboratories invoices contained erroneous charges for drug testing services. The pricing discrepancy was due to drug test miss-coding by Pacific Toxicology Laboratories which resulted in Probation being overbilled in the amount of \$1,686 in the 17 invoices reviewed.
- Probation's contract with Communities 4 Children lacks detail as to how the contractor will be compensated for services provided. Based on our review of invoices and supporting documentation from Communities 4 Children, contractor is billing an hourly rate of \$250 which is not specified in the contract.
- Based on our review of invoices for youth outreach counseling services, we identified the following that is in conflict with the contracts:
 - Youth outreach counselors exceeded the 80 monthly hour work limit per site. Per contracts, youth outreach counselors should not exceed 80 hours of work per month per youth accountability team site in order to stay under the contracted amount.
 - Youth outreach counselors worked at three different sites in one month, exceeding the two site limit restriction specified in the contracts.
 - Invoice supporting documentation contained juvenile client's full names. The contracts timesheet templates indicate youth outreach counselors are only required to input the first and last initial of clients seen. Contractor failed to protect the identities of juvenile clients by disclosing privileged confidential information in invoice supporting documentation.

Internal Audit Report 2020-003: Riverside County Probation Department Audit

- Youth outreach counselors reported non worked holiday hours which were paid out by Probation. Per the contracts for youth counseling services, “contractor (including its employees, agents, and subcontractors) shall in no event be entitled to... injury leave or other leave benefits.”
- Probation Officer signed off on a youth outreach counselors timesheet who reported hours not actually worked and invoice was paid by Probation.
- Youth outreach counselor submitted only one timesheet for work performed at two different sites. Per the contracts with youth outreach counseling services, counselors are required to utilize one monthly timesheet per site worked.
- Invoices were paid by Probation without supporting documentation for invoiced amount. The contracts require youth outreach counselors to report to Probation the hours worked, locations worked, and details of activities performed each work day.
- Youth outreach counselors did not provide sufficient information to detail all work completed throughout the month at sites worked. The contracts require youth outreach counselors to describe activities performed on each work day.

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.” Probation management stated issues with invoices and supporting documentation were not identified due to department oversight. Not adequately monitoring contractor and reviewing the supporting documentation for invoices increases the risk of theft, loss, contract non-compliance and paying for services not rendered.

Recommendation 2

Develop policies and procedures to ensure invoice for all contracts are adequately reviewed.

Management’s Response:

“**Concur.** The Probation Department is in the process of filling vacant fiscal and contract accounting positions that will provide a secondary level of contract compliance review. One of those positions is scheduled to start at the end of February 2020 and another position, a Contracts and Grants Analyst, is scheduled for recruitment within the next 30 to 45 days. Both positions will provide key oversight and contract compliance review for the Probation Department, as well as training for the divisions that are utilizers of the contractual services.”

Actual/estimated Date of Corrective Action: **No date provided**

Attachment B



RIVERSIDE COUNTY PROBATION DEPARTMENT

Serving Courts • Protecting Our Community • Changing Lives



The following are the current status of the reported findings and planned corrective actions contained in Internal Audit Report 2020-003: Riverside County Probation Department Audit.

Richard L. Allen I

3/16/22

Authorized Signature

Date

Finding 1: Untimely Termination of User Access Rights

Fifteen out of a sample of 15 (100%) of user accounts in JAMS were not terminated on the employees day of termination or transfer from the department. County of Riverside Information Security Standard v1 .0, Section 4.1, Account and Access Management, states "Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." Probation does not have a formal process in place to immediately terminate user access rights. Furthermore, JAMS does not have the ability to track the date in which access rights were terminated. Not terminating user access rights timely increases the risk of unauthorized access to sensitive information.

Current Status

Reported Finding Corrected? Yes No

The JAMS Manager application termination stamp date has been implemented. Our department Human Resources now submits two separate tickets to RCIT, 1. To disable the user's Windows account and 2. To terminate JAMS user access.

Recommendation 1.1

Establish policies and procedures for the immediate termination of user access rights for terminated or transferred employees.

Management Reply

"**Concur.** The systems tested and reviewed have electronic flags that will not allow separated employees access to the noted systems, and the network is limited to access via county computers only. However, to ensure compliance with the County of Riverside Information Security Standard, v1 .0, Section 4.1, the Probation Department will immediately implement a process for notifying RCIT to terminate, disable or remove system access on the day of termination or transfer. This process of submitting RCIT trouble tickets will also be utilized to track the date in which JAMS access rights are terminated."

Actual/estimated Date of Corrective Action: **Immediately**

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).

The JAMS Manager application termination stamp date has been implemented. Our department Human Resources now submits two separate tickets to RCIT, 1. To disable the user's Windows account and 2. To terminate JAMS user access.

Recommendation 1.2

Establish a process to document the date in which user access rights are terminated within JAMS.

Management Reply

"Concur. See above response, Recommendation 1.1."

Actual/estimated Date of Corrective Action: **Immediately**

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).

JAMS Manager termination date stamp feature has been implemented.

Finding 2: Lack of Contract Monitoring

Probation is not adequately monitoring contractors to ensure department is correctly billed for services provided. We identified the following in our review of invoices and supporting documentation:

- Eight of the 17 (47%) Pacific Toxicology Laboratories invoices contained erroneous charges for drug testing services. The pricing discrepancy was due to drug test misscoding by Pacific Toxicology Laboratories which resulted in Probation being overbilled in the amount of \$1,686 in the 17 invoices reviewed.
- Probation's contract with Communities 4 Children lacks detail as to how the contractor will be compensated for services provided. Based on our review of invoices and supporting documentation from Communities 4 Children, contractor is billing an hourly rate of \$250 which is not specified in the contract.
- Based on our review of invoices for youth outreach counseling services, we identified the following that is in conflict with the contracts:
 - Youth outreach counselors exceeded the 80 monthly hour work limit per site. Per contracts, youth outreach counselors should not exceed 80 hours of work per

month per youth accountability team site in order to stay under the contracted amount.

- Youth outreach counselors worked at three different sites in one month, exceeding the two site limit restriction specified in the contracts.
- Invoice supporting documentation contained juvenile client's full names. The contracts timesheet templates indicate youth outreach counselors are only required to input the first and last initial of clients seen. Contractor failed to protect the identities of juvenile clients by disclosing privileged confidential information in invoice supporting documentation.
- Youth outreach counselors reported non worked holiday hours which were paid out by Probation. Per the contracts for youth counseling services, "contractor (including its employees, agents, and subcontractors) shall in no event be entitled to ... injury leave or other leave benefits."
- Probation Officer signed off on a youth outreach counselors timesheet who reported hours not actually worked and invoice was paid by Probation.
- Youth outreach counselor submitted only one timesheet for work performed at two different sites. Per the contracts with youth outreach counseling services, counselors are required to utilize one monthly timesheet per site worked.
- Invoices were paid by Probation without supporting documentation for invoiced amount. The contracts require youth outreach counselors to report to Probation the hours worked, locations worked, and details of activities performed each work day.
- Youth outreach counselors did not provide sufficient information to detail all work completed throughout the month at sites worked. The contracts require youth outreach counselors to describe activities performed on each work day.

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." Probation management stated issues with invoices and supporting documentation were not identified due to department oversight. Not adequately monitoring contractor and reviewing the supporting documentation for invoices increases the risk of theft, loss, contract non-compliance and paying for services not rendered.

Current Status

Reported Finding Corrected? Yes No

As of March 1, 2022, the department have drafted a policy and procedures for all staff that review and approve payments for contracted services. An additional layer of review have been implemented to ensure that the department's payment approver is conducting a detailed review of all contracts to ensure that the required supporting documentation is attached prior to the approval of payments.

Recommendation 2

Develop policies and procedures to ensure invoice for all contracts are adequately reviewed.

Management Reply

"Concur. The Probation Department is in the process of filling vacant fiscal and contract accounting positions that will provide a secondary level of contract compliance review. One of those positions is scheduled to start at the end of February 2020 and another position, a Contracts and Grants Analyst, is scheduled for recruitment within the next 30 to 45 days. Both positions will provide key oversight and contract compliance review for the Probation Department, as well as training for the divisions that are utilizers of the contractual services."

Actual/estimated Date of Corrective Action: **No date provided**

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).

The Probation Department recently drafted a detailed internal policy that outlines the documentation needed per contracted vendor and have met with both the department's fiscal and program staff to review the procedures as outlined. The policy and procedure will be implemented across the department on March 31, 2022 with training provided to impacted staff. While the department continues to struggle with filling its vacancies, the new policy will ensure that probation program staff that are working closely with contractors are adequately monitoring the terms of the contract.