



**Audit of the Ventura County Probation
Agency's Management of Juvenile
Accounts for the 2-Year Period Ended
June 30, 2021**

Report Date: December 17, 2021

Office of the Auditor-Controller
County of Ventura, California
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December 17, 2021

Honorable Bruce A. Young
Presiding Judge of the Superior Court
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: AUDIT OF THE VENTURA COUNTY PROBATION AGENCY'S MANAGEMENT OF JUVENILE ACCOUNTS FOR THE 2-YEAR PERIOD ENDED JUNE 30, 2021

Dear Judge Young:

In accordance with California Welfare and Institutions Code Section 275(b) and as authorized by the Board of Supervisors on December 19, 2006, we have completed our biennial audit of the Ventura County Probation Agency's (VCPA) management of juvenile accounts. Our overall audit objective was to determine whether VCPA properly managed the two established Juvenile Benefit Fund (JBF) trust accounts during the 2-year period of July 1, 2019, through June 30, 2021.

Executive Summary

Overall, we found that VCPA satisfactorily managed the two established JBF trust accounts. For example, procedures for recording, depositing, and safeguarding cash collections were sufficient. We also verified that proper corrective action had been taken to address the issues noted in our prior audit report dated January 16, 2020, regarding redaction of confidential information, missing phone commission payments, and trust account reconciliation approval.

This report does not contain findings requiring corrective action by VCPA management.

We appreciate the cooperation and assistance extended by VCPA management and staff during this audit.

Sincerely,

JEFFERY S. BURGH
Auditor-Controller

cc: Honorable Linda Parks, Chair, Board of Supervisors
Honorable, Carmen Ramirez, Vice Chair, Board of Supervisors
Honorable Matt LaVere, Board of Supervisors
Honorable Kelly Long, Board of Supervisors
Honorable Robert O. Huber, Board of Supervisors
Michael Powers, County Executive Officer
Mark Varela, Director, Probation Agency

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Background

The mission of the Ventura County Probation Agency (VCPA) is to promote community safety through a system of graduated sanctions that balance services to the victim, offender, and community. During Fiscal Year (FY) 2020-21, VCPA was allocated 445 authorized positions with a budget of over \$75 million.

VCPA receives money and directs disbursements on behalf of juveniles on probation and/or housed in juvenile facilities in accordance with California Welfare and Institutions Code Section 276(c). Two Juvenile Benefit Fund (JBF) trust accounts were established in the Ventura County Financial Management System (VCFMS) for the purpose of managing such transactions:

- 1) The Juvenile Facilities (JF) Benefit Fund account (N990-821A) is for the benefit of juveniles housed in County facilities.
- 2) The Youth Services (YS) Juvenile Benefit account (N990-821G) is for the general benefit of juveniles on formal and informal probation.

The activity and balance for each account for the 2-year period of July 1, 2019, through June 30, 2021, is summarized below.

	<u>JF</u>	<u>YS</u>	<u>Total</u>
Beginning Balance, July 1, 2019	\$ 178,360	\$ 83,724	\$ 262,084
Deposits	109,127	23,788	132,915
Disbursements	<u>(76,461)</u>	<u>(2,645)</u>	<u>(79,106)</u>
Ending Balance, June 30, 2021	\$ <u>211,026</u>	\$ <u>104,867</u>	\$ <u>315,893</u>

Scope

Our overall audit objective was to determine whether VCPA properly managed the two established JBF trust accounts during the 2-year period of July 1, 2019, through June 30, 2021. Specifically, we:

- evaluated cash intake, deposit, and safeguarding procedures to establish accountability over funds collected;
- reviewed disbursements made from the JBF trust accounts to ensure that these funds were used for the benefit of the juveniles; and
- verified that the trust fund accounts, as reported in VCFMS, accurately reflected trust fund activity.

Further, we evaluated whether corrective action had been taken to address the issues noted in our prior audit report dated January 16, 2020, regarding redaction of confidential information, missing phone commission payments, and trust account reconciliation approval.

The audit was performed in conformance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by The Institute of Internal Auditors.

Findings

Overall, we found that VCPA satisfactorily managed the two established JBF trust accounts. Specifically, we verified that:

- Procedures for recording, depositing, and safeguarding cash collections were sufficient.
- Disbursements from the JBF trust accounts appeared to be for the reasonable benefit of the juveniles.
- Trust account transactions were properly supported with sufficient documentation.

In addition, VCPA had fully implemented corrective action in response to our prior audit to redact confidential juvenile names in VCFMS documents, ensure all phone commission payments were received, and obtain management approval of trust account reconciliations.

While JBF trust account balances have more than doubled over the past 6 years, we noted that, in the FY 2019-20 and FY 2020-21 year-end JBF trust account reconciliations, VCPA stated: "We have a 2-3 year plan to find qualifying expenses to apply Trust funds balance toward" to clear deposits held exceeding 5 years. We will review VCPA's progress in implementing this spending plan during our next audit.

This report does not contain findings requiring corrective action by VCPA management.

Appendix

Corrective Action Implementation Status

The table below summarizes the status of corrective actions taken since our prior audit.

Prior Audit Finding			Status of Corrective Action
No.	Topic	Condition	
1.	Redaction of Confidential Information	VCPA did not always redact confidential juvenile names prior to uploading documents into VCFMS.	Implemented.
2.	Missing Phone Commission Payment	VCPA did not always ensure monthly phone commission payments were received.	Implemented.
3.	Trust Account Reconciliation Approval	VCPA did not always obtain management approval of monthly trust account reconciliations.	Implemented.