



Napa County

Board Agenda Letter

1195 THIRD STREET
SUITE 310
NAPA, CA 94559
www.napacounty.gov
Main: (707) 253-4580

Board of Supervisors

Agenda Date: 12/14/2021

File ID #: 21-1259

TO: Board of Supervisors
FROM: Tracy Schulze, Auditor Controller
REPORT BY: Paul Phangureh, Audit Manager
SUBJECT: Internal audit report for the internal control review over Napa County Probation Department's Victim Restitution Program

RECOMMENDATION

Auditor-Controller requests the Board to accept, and instruct the Clerk of the Board to file, the internal audit report for the internal control review over Napa County Probation Department's Victim Restitution Program for the fiscal year ended June 30, 2021.

EXECUTIVE SUMMARY

The internal audit section of the Napa County Auditor-Controller's Office has completed an internal control review over Napa County Probation Department's Victim Restitution Program for the fiscal year ended June 30, 2021.

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) established by the Institute of Internal Auditors. These Standards require that we identify, analyze, evaluate, and document sufficient information and evidence to achieve our objectives; and that the internal audit activity be independent, objective, and perform engagements with proficiency and due professional care.

The primary objective of this engagement was to determine whether adequate internal controls exist over the Victim Restitution Program. We reviewed a sample of probationer accounts and related documents to determine if adequate internal controls were in place and operating as designed.

Based on our review, we believe that administration of the Victim Restitution Program has adequate internal controls to collect, disburse, track, and account for victim restitution funds. However, we noted opportunities for Probation to improve the Victim Restitution Program. This report contains three observations, recommendations, and includes responses from Probation and the County Executive Office to strengthen internal controls over the Victim Restitution Program.

This report is a matter of public record and is intended solely for the information and use of the Napa County Board of Supervisors, County Executive Officer, and District Attorney, Chief Probation Officer, and the Courts. I want to thank the internal audit team and Probation's staff for their expertise and professionalism in conducting this engagement.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No
County Strategic Plan pillar addressed: Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Napa County Probation Department (Probation) is part of the criminal justice system in Napa County. Probation's primary focus is to (1) assist in keeping Napa County a safe community by providing rehabilitative services to juvenile and adult offenders, (2) present court accurate information to assist in sentencing decisions, and (3) enforce court orders for those on community supervision.

For defendants who are granted probation, Napa County contracts with a third-party debt collection agency to collect court ordered restitution payments from probationers to repay victims. Prior to October 2020, Probation delegated to a debt collection agency named EOS CCA to handle all aspects of the Victim Restitution Program including collection, disbursement, tracking, and accounting for victim restitution funds.

In October 2020, Napa County changed debt collection agencies from EOS CCA to GC Services (GCS). This change in vendor resulted in certain processes within the Victim Restitution Program to be modified. Probation now would require the Treasurer-Tax Collector's assistance to collect restitution funds from GCS and the Auditor-Controller's help to produce checks to repay victims. Probation would also have to track and account for victim restitution funds internally. Due to these changes, Probation requested the internal audit section of the Auditor-Controller's Office to review the Victim Restitution Program and to determine whether adequate internal controls are in place and operating as designed.

Probation is responsible for designing, implementing, and maintaining adequate internal controls over the Victim Restitution Program including collecting, disbursing, tracking, and accounting for victim restitution funds.