

**Audit of Orange County
Corrections Department
Probation Unit**

**Report by the
Office of County Comptroller**

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**Report No. 425
September 2012**

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September 26, 2012

Teresa Jacobs, County Mayor
And
Board of County Commissioners

We have conducted an audit of the Orange County Corrections Department Probation Unit. The audit was limited to a review of the revenue collection controls of the Probation Unit and the Unit's compliance with applicable laws, rules, and regulations. The period audited was October 1, 2009 through March 31, 2011.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Responses to our Recommendations for Improvement were received from the Manager of the Community Corrections Division and are incorporated herein.

We appreciate the cooperation of the personnel of the Corrections Department during the course of the audit.

Martha O. Haynie, CPA
County Comptroller

c: Ajit Lalchandani, County Administrator
Michael Tidwell, Chief of Corrections
Cindy Boyles, Manager, Community Corrections Division

EXECUTIVE SUMMARY

Executive Summary

We have conducted an audit of the Orange County Corrections Department Probation Unit. The audit scope was limited to a review of the Unit's revenue collection controls and compliance with applicable laws, rules, and regulations. The period audited was October 1, 2009 through March 31, 2011. The objectives of the audit were to determine whether the Probation Unit's:

- 1) Court ordered supervision of offenders complied with terms of the probation; and the applicable laws, rules, and regulations for supervised offenders, and
- 2) Controls over the receipt and deposit of probation fees and the telephone reporting revenue were adequate.

Based on the results of our testing, the Orange County Probation Unit's court ordered supervision of offenders complied with terms of the probation and the applicable laws, rules, and regulations for supervised offenders. In our opinion, internal controls over the receipt and deposit of probation fees and the telephone reporting revenue were adequate. Specifically, we noted the following:

We noted instances where probation case numbers assigned to offenders in error were deleted from the system without documentation. No list or record of the numbers purged with appropriate documentation to support the deletion was maintained.

During the audit period, the Probation Unit did not have a system to ensure that all offenders sentenced to probation reported to serve their court ordered supervision.

Offenders sentenced to probation are required to pay a monthly Cost of Supervision (COS) fee. During our review, we noted that 43 percent of fees for offenders who successfully completed probation during our audit period were not collected. In addition, cases with outstanding balances are not routinely monitored (by officer) or reconciled to the data in the financial system.

The Community Corrections Division contracts with a vendor to provide a telephone reporting system (in lieu of face-to-face visits) for some low-risk offenders. The offenders pay a monthly fee directly to the vendor and the vendor provides the County \$2 per month for each active paying offender. We noted there is no reconciliation performed of the \$2 fee received to the Division's records of offenders who are currently enrolled in the program.

Management concurred with all the Recommendations for Improvement and steps to implement the recommendations are underway. Responses to each of the Recommendations for Improvement are included herein.

**CORRECTIONS PROBATION UNIT AUDIT
ACTION PLAN**

NO.	RECOMMENDATIONS	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS	
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED
1.	We recommend the Community Corrections Division enhances the records by maintaining a list of all deleted records including a reason and any supporting documentation. A supervisor should approve any deletions or, at the minimum, periodically review and approve the list.	✓			✓	
2.	We recommend the Community Corrections Division ensures it continues to receive the computer generated report of court ordered probation from the Clerk's Office.	✓			✓	
3.	We recommend the Community Corrections Division considers additional, more stringent means of collecting probation fees owed. In addition, the Division should ensure the financial waiver process is considered when offenders are having difficulty staying current with their fees. Further, information in the financial system should be reconciled to cases during the closing process.	✓			✓	
4.	We recommend the Corrections Department performs reconciliation of the amounts received from the telephone vendor each month to the number of cases assigned and phone calls reported by the vendor.	✓			✓	
5.	We recommend the Probation Unit ensures all files are complete and contain all required documents.	✓			✓	

ACTION PLAN

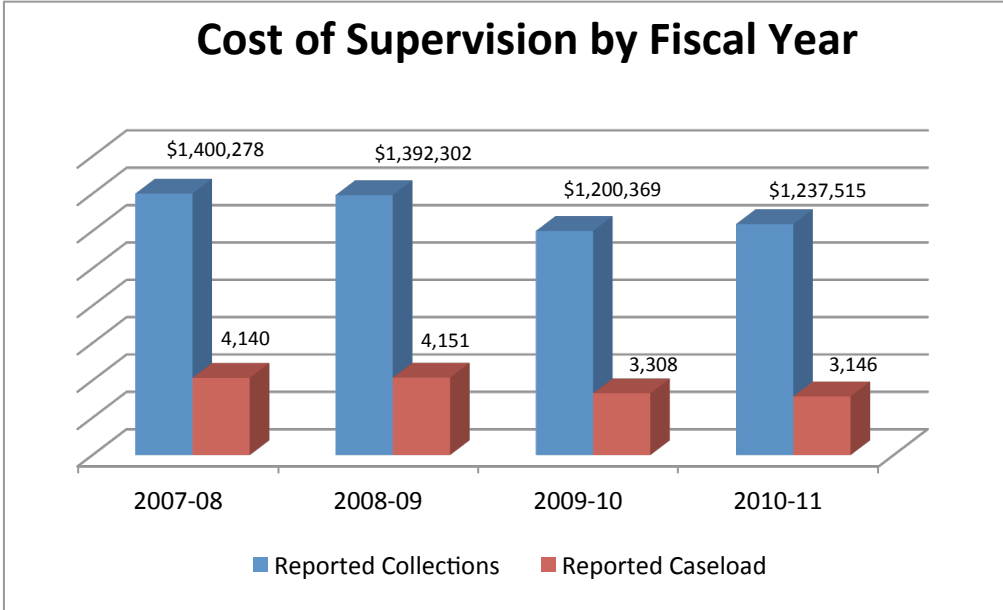
INTRODUCTION



Background

The Probation Unit is under the Orange County Community Corrections Division of the Corrections Department. The Unit supervises offenders who have been sentenced to misdemeanor probation in County court. Probation Officers monitor these offenders to ensure they follow the terms of probation as set forth by the court and depicted in various applicable laws, rules, and regulations. The offenders are required to report on a scheduled basis and submit written reports answering questions related to current contact information, drug and alcohol use, employment, personal financial matters, and complying with their conditions of probation. Such conditions may include fines, DUI classes, counseling, and community service. When offenders are in violation with their conditions of probation, the case may be returned to court, probation revoked, and the offender returned to jail.

The Corrections Fiscal Services Division has a cashier located in Community Corrections who administers the collection of the fees assessed to offenders on probation. These fees are deposited into the General Fund and help to offset the cost of the program to taxpayers. There is a range for the fee set forth in the Florida Statutes, but County Judges approve the fee within their jurisdiction. The current fee in Orange County was increased from \$40 to \$50 per month in October of 2010 with the amount collected by fiscal year shown below.



The offenders are also required to pay a one time \$20 intake fee and \$17 drug testing fee.

Approximately \$60,000 a year is received from the vendor that administers the telephone reporting system used by low risk offenders. The offenders pay a separate fee directly to the vendor for use of the system and a portion of their monthly fee is returned to Orange County. This system is also used by offenders in the Diversion and Pre-Trial Release Programs.

**Scope, Objectives,
and Methodology**

The audit scope was limited to a review of the revenue collection controls of the Probation Unit and the Unit's compliance with applicable laws, rules, and regulations. The period audited was October 1, 2009 through March 31, 2011. The objectives of the audit were to determine whether the Probation Unit's:

- Court ordered supervision of offenders complied with terms of the probation; and the applicable laws, rules, and regulations for supervised offenders; and,
- Controls over the receipt and deposit of probation fees and the telephone reporting revenue were adequate.

To determine whether Probation Unit operations are in compliance with the terms of probation and applicable rules and regulations, we performed the following:

- For a sample of probation cases we determined whether all conditions of probation outlined in court documents were satisfied and documented. We reviewed risk assessments (the offender's perceived risk to the community) for reasonableness based on information available at the time the offender was assigned to probation. For probation fees collected, we also reconciled payments recorded in the accounting system with data maintained in the offender file.

INTRODUCTION



Audit of the Orange County
Corrections Probation Unit

- We reviewed successful closures with offenders who owed outstanding probation fees and determined whether the balances were correct and whether a financial waiver had been initiated.
- We obtained file reviews conducted on the community corrections officers that were performed during the audit period to determine whether an adequate number of reviews had been performed and what, if any, action had been taken.

To determine whether adequate controls exist over the receipt and deposit of probation fees collected, we traced a sample of bank deposit documentation to the bank statement and County financial system. We verified receipt numbers were accounted for and voids had been approved by a supervisor. In addition, we determined whether reconciliations were performed of the funds received from the revenue sharing with the vendor that provides the telephone reporting system.

Overall Evaluation

Based on the results of our testing, the Orange County Probation Unit's court ordered supervision of offenders complied with terms of the probation; and the applicable laws, rules, and regulations for supervised offenders. In our opinion, internal controls over the receipt, deposit, and recording of probation fees and the telephone reporting revenue were adequate.

RECOMMENDATIONS FOR IMPROVEMENT

1. Records Relating to Cases Assigned Should Be Accurately Maintained

We noted instances where probation case numbers assigned to offenders were deleted from the Automated Probation System (APS) without supporting documentation. When an offender is sentenced to a Community Corrections Program and entered in APS by the clerical staff, APS automatically assigns the next consecutive number available. If, after a number is assigned to an offender an error is discovered, (such as already being in the system or a State case), an error code is input and the record is automatically purged. No list or record of the APS numbers purged with appropriate documentation to support the deletion is maintained. Maintaining documentation of computer generated numbers not used in the course of business is part of an adequate system of internal control and accurate record keeping.

We Recommend the Community Corrections Division enhances the records by maintaining a list of all deleted records including a reason and any supporting documentation. A supervisor should approve any deletions or, at the minimum, periodically review and approve the list.

Management's Response:

Concur. Based on recommendation from the auditor, The Clerk's Office was again approached for such a report The Community Corrections Division and Corrections Information Services implemented a tracking system for deleted/purged records on August 9th, 2011.

2. The Probation Unit Should Ensure Reports Are Received from the Clerk of Courts of Offenders Sentenced to Probation

During the audit period, the Probation Unit did not have a system to ensure that all cases assigned to court ordered supervision were recorded in the system. Prior to the audit period, the Probation Unit obtained a computer generated

report of all offenders sentenced to probation from the Clerk's Office. However, we were informed that after the Clerk's Office implemented a new computer system, this report was no longer provided. Although the Clerk's Office continued to fax offender dispositions to the Division on a daily basis, the Division could not be assured all dispositions were included.

The Division should ensure a complete list of all offenders who are sentenced to probation is received daily from the Clerk's Office. Without such a report, all the persons sentenced to probation may not be known and; therefore, offenders may not serve probation and not get the referrals needed to obtain substance abuse treatment and counseling. Subsequent to our inquiry, the Division contacted the Clerks Office and the report is now being produced and emailed daily to the Division.

We Recommend the Community Corrections Division ensures it continues to receive the computer generated report of court ordered probation from the Clerk's Office.

Management's Response:

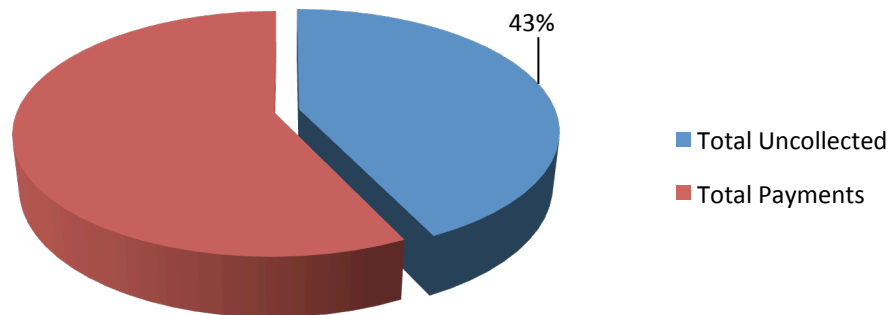
Concur. Based on recommendation from the auditor, the Clerk's Office was again approached for such a report. The Probation Unit has been receiving the report daily since May 7, 2011.

3. The Probation Unit Should Enhance Their Collection of Cost of Supervision Fees Including Issuing Payment Waivers When Applicable

Offenders sentenced to probation are required to pay a monthly fee referred to as the Cost of Supervision (COS). Offenders who are unable to afford payment are allowed to obtain a fee waiver from the Division. This waiver must be completed and approved by the Probation Unit Supervisor. During our review, we noted that unpaid fees for offenders who successfully completed probation during our audit period totaled \$144,801 out of \$337,835 invoiced.

This unpaid amount equaled 43 percent of the total amount billed, excluding waivers, for the audit period, thereby providing a 57 percent collection rate.

Total Invoiced and Collected for Cases Closed During Audit Period



Note: Amount excludes cases that contained any fee waivers recorded in financial system

As part of our testing, we selected 30 closed case files with an outstanding balance and reviewed the payment and financial information in both the financial system and the case file. Relating to this, we had the following concerns:

- Financial information contained in the case file and financial system did not agree in five of the cases.
- Three of the case files contained a temporary or partial fee waiver yet information in the system did not record the length of time the waiver was in effect. As such, we were unable to verify if the correct fees were reflected in the financial system.
- Two of the cases were not invoiced for the one-time \$17 drug testing fee.

The Probation Unit's procedure for cases closing successfully with outstanding fees consists of sending an arrearage letter to each offender with an outstanding balance requesting payment of the balance due. The policy also specifies that Community Corrections Officers should

instruct an offender to submit a request for a financial waiver when an inability to pay is indicated. Waivers document the lack of an ability to pay due to financial hardship, disability, or other reason.

In our discussions with the Management of the Probation Unit, we were informed that the Unit faces numerous challenges in collecting the Cost of Supervision payments from the supervised offenders. Such challenges include offenders having no or low paying jobs complicated by the fact that many of the requirements for being on probation include an additional output of money. For example, an offender serving probation on a Driving Under the Influence charge may have to pay several fines and fees associated with a suspended driver's license, a special driver education class, substance abuse evaluation and treatment, higher vehicle insurance rates, vehicle impoundment fees, and installing an ignition device for the vehicle. According to Management, many times the Cost of Supervision is the last thing to be paid.

Although the Probation Unit management is aware that cases with outstanding balances are closed without waivers or partial waivers completed, periodic tracking and monitoring (by officer) for this is not performed. Further, case files being closed are not reconciled to the data in the financial system.

While we recognize the Unit faces numerous difficulties with the collection of the Cost of Supervision, periodic monitoring could help ensure all amounts that should be collected are collected and fee waivers are completed and authorized from offenders that cannot pay. For instance, monitoring would help reinforce the importance to officers and help identify more successful methods of collecting fees that could be used to partially offset the cost to train additional officers. Further, reconciling the case file information to the financial system would help ensure the reported collection is accurate.

While efforts to collect fees are taken, the Unit should consider using additional collection methods such as:

Collections Court with the Clerk of Courts Office or a collection agency; reporting to credit bureaus; additional community service to reduce fees; and wage garnishment or driver license suspension.

Without a comprehensive and complete collection effort, the County is unlikely to collect all the money which could be collected for providing this Court mandated service.

We Recommend the Community Corrections Division considers additional, more stringent means of collecting probation fees owed. In addition, the Division should ensure the financial waiver process is considered when offenders are having difficulty staying current with their fees. Further, information in the financial system should be reconciled to cases during the closing process.

Management's Response:

Concur. Probation officers were retrained on the use of waivers and the policy and procedure relating to the collection of all fees (including Cost of Supervision). The Corrections IS section worked with the Community Corrections Division to develop weekly reports that assist supervisors in monitoring collections and use of waivers by officers. This report is reviewed weekly and collection issues are addressed each week. In addition, CCD is working with ISS to address identified deficiencies in the new COS Application.

4. The Corrections Department Should Reconcile the Telephone Reporting System Revenue

The Community Corrections Division contracts with a vendor who provides a telephone reporting system for low-risk offenders. The offenders are required to periodically call into a telephone reporting system instead of reporting to a probation officer. The offenders pay a monthly fee directly to the vendor and, in turn, the vendor provides the County \$2 per month for each active paying offender. Although the County receives approximately \$5,000 per month from the

vendor, this amount includes other Division programs that also participate in telephone reporting. Each month a spreadsheet is provided to the Division from the vendor which lists all currently enrolled offenders and whether they contributed to the amount for that payment. Currently, the spreadsheet contains approximately 3,000 names.

We noted there is no reconciliation performed of the spreadsheet to their records of offenders who are currently enrolled in the program. Adequate internal controls dictate that any time revenue is received, steps should be taken to ensure the amount is correct and all revenue due has been remitted. Without these controls, the County may not be receiving all revenue that is owed based on the contract.

We Recommend the Corrections Department performs a reconciliation of the amounts received from the telephone vendor each month to the number of cases assigned and phone calls reported by the vendor.

Management's Response:

Concur. Corrections Fiscal is working with the Corrections IS section to write the necessary report(s) to perform the reconciliation.

5. The Probation Unit Should Ensure Files Contain All Required Documentation

We reviewed 30 closed offender probation files to determine whether offenders were supervised according to classification level, satisfied all conditions required by the court, and their cases were properly closed and documented according to policy. During our review, we noted the following:

- Two files did not contain the signed Conditions of Probation form;
- Two files did not contain the Urinalysis Consent form;

RECOMMENDATIONS FOR IMPROVEMENT



Audit of the Orange County
Corrections Probation Unit

- Three files were missing the Completion Letter issued to the Clerk of Courts Office; and,
- Three offenders had no six month risk re-assessment conducted.

SOP PROB-AM.004-003, Case Management, provides the forms and procedures used during the duration of an offender's term of probation. Complete documentation that all terms of the probation were met should be maintained. In addition, offenders who are not re-assessed may not have an adequate level of supervision if their needs have changed.

We Recommend the Probation Unit ensures all files are complete and contain all required documents.

Management's Response:

Concur. Quarterly file audits are being conducted by Probation Unit supervisory staff and by the Department's Policy, Accreditation and Compliance Unit. Action plans are required for all areas of deficiency.