

Follow-up of the Audit of the Orange County Corrections Probation Unit

**Report by the
Office of County Comptroller**

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October 26, 2017

Teresa Jacobs, County Mayor
And
Board of County Commissioners

We have conducted a Follow-Up of the Audit of the Orange County Corrections Probation Unit (Report No. 425). Our original audit included the period of October 2009 to March 2011. Testing of the status of the previous Recommendations for Improvement was performed for the period from July 2016 through September 2016.

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.

The accompanying Follow-Up to Previous Recommendations for Improvement summarizes the previous conditions and recommendations. Following each recommendation is a summary of the current status as determined in this review.

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

Phil Diamond, CPA
County Comptroller

c: Ajit Lalchandani, County Administrator
Cornita Riley, Chief of Corrections
Linda Brooks, Manager, Community Corrections Division

**IMPLEMENTATION STATUS OF
PREVIOUS RECOMMENDATIONS
FOR IMPROVEMENT**

**FOLLOW-UP OF THE AUDIT OF THE ORANGE COUNTY CORRECTIONS PROBATION UNIT
IMPLEMENTATION STATUS OF PREVIOUS RECOMMENDATIONS FOR IMPROVEMENT**

NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS			
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
1.	We recommend the 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 Division ensures it continues to receive the computer generated report of court ordered probation from the Clerk's Office.	✓			
3.	We recommend the 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 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.			✓	
5.	We recommend the Probation Unit ensures all files are complete and contain all required documents.	✓			

INTRODUCTION

Scope and Methodology

We conducted a follow-up of the Audit of the Orange County Corrections Department Probation Unit (Report No. 425). The previous audit period was from October 1, 2009 through March 31, 2011. The audit scope for the follow-up audit focused on the implementation status of the recommendations that were issued in the 2012 audit report. Testing was performed for the audit period of July 1, 2016 through September 30, 2016.

During the audit, we interviewed staff from the Probation Unit. We also performed tests determined necessary to verify the implementation status of the recommendations made in the previous audit.

We have described the specific methodologies utilized during our review in the implementation status of each recommendation in the Follow-Up to Previous Recommendations for Improvement section of this report.

The prior audit can be reviewed at www.occompt.com/county-audit/audit-reports/

**FOLLOW-UP TO PREVIOUS
RECOMMENDATIONS
FOR IMPROVEMENT**



1. Records Relating to Cases Assigned Should Be Accurately Maintained

When an offender is sentenced to probation, Community Corrections Division (Division) personnel record the relevant information into the case management system. The system then automatically assigns the next consecutive number available. During the prior audit, it was noted that some of these sequentially created records were deleted from the probation system without supporting documentation.

Prior Recommendation:

The 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.

Status:

Partially Implemented. The prior computer system utilized for offender tracking and case management was replaced and is currently maintained by an outside vendor. We were informed by the vendor and the Division that deletions can only be made by the vendor at the request of Division personnel. After this follow-up audit was initiated, the Division created a log of records to be deleted by the vendor. Maintaining a list of deleted records showing appropriate justifications and supervisory approvals is part of an adequate internal control system.

When verifying the completeness of records in the new system, we found 66 gaps in the sequential ID number out of over 20,000 entries recorded during the audit period. Neither the Division nor the vendor were able to determine the reason for the missing ID numbers. Further, since the log was not created until after the testing period ended, none of these deleted items were recorded on the log. Without documentation for these sequencing gaps, we could not be assured that the missing records were appropriately deleted.



Recommendation:

The Division should continue to maintain a list of all deleted records including a justification and any supporting documentation. A supervisor should approve any deletions or, at a minimum, periodically review and approve the list. In addition, management should consider working with the vendor to determine the reasons that the gaps exist.

Management's Response:

The Division will maintain a list of all deleted records with the reason for the deletion. Deletions will require supervisor approval with supporting documentation that supports their approval. Once approved designated staff will request the deletion and annotate on the log the date the record is actually deleted.

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

The prior audit found that the Division did not have a process to ensure that all cases assigned to court ordered supervision were received and recorded in the system. Prior to the previous audit's completion, the Orange County Clerk of the Court's Office (Clerk of Courts) had begun providing reports that could be used to confirm that assigned cases were received and recorded in the system.

Prior Recommendation:

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

Status:

Implemented. The Division continues to receive the computer generated daily reports of court ordered probation from the



Clerk of Courts. We reviewed the Daily Probation Reports for the month of September 2016 to verify that the system data was complete. We found that all reported offenders were recorded in the system.

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

In the prior audit, we noted that significant amounts of Cost of Supervision (COS) fees related to successfully completed probation cases were not collected by the Division. Specifically, we found that 43 percent of the total amount billed, excluding waivers, was unpaid. A detailed review of 30 case files also noted that:

- The financial information contained in the case file and financial system did not agree in five of the cases;
- Three case files contained temporary or partial fee waivers; however, information in the system did not record the length of time the waivers were in effect; and,
- Two cases were not invoiced for the one-time \$17 drug testing fee.

Prior Recommendation:

The 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.



Status:

Implemented. The Division has strengthened its policies and procedures for collecting probation fees. The procedures have been revised to ensure that financial waivers are considered when offenders assert financial hardship or are more than two months (one hundred dollars) in arrears. If the Division determines that an offender is able to pay, a violation of probation is issued for nonpayment. During our review of 20 closed cases with outstanding balances owed, we found that all of the case files included either a violation of probation or an early termination notice. Additionally, in order to avoid inconsistency between reporting systems, the Division changed the case file system so that financial information is maintained only in the financial system.

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

A telephone reporting system (TRS) is used for low-risk offenders to periodically call in to an automated phone system instead of physically reporting to a probation officer. The system utilized during the prior audit was maintained by a private vendor which paid the County two dollars per month for each enrolled offender. During the prior audit, it was noted that no reconciliation was performed to verify that the revenue paid to the County was accurately calculated and that all revenues due were paid to the County.

Prior Recommendation:

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.

**FOLLOW-UP TO PREVIOUS
RECOMMENDATIONS FOR
IMPROVEMENT**



Status:

Not Implemented. The Division does not reconcile the amounts received from the TRS vendor to confirm that the correct amount is received.

The current contract with the new telephone reporting vendor requires the vendor to pay 30 percent of the amounts collected from each offender enrolled in the TRS. In addition to providing telephone reporting services for Probation, the same TRS is utilized for three other Division programs- Pretrial Diversion, Alternate Community Service, and Pretrial Release.

Each month, the TRS vendor submits a combined payment to the County with an accompanying report detailing the reported charges and collections for each offender enrolled in any of the four TRS categories.

During the audit period, the Probation Unit averaged 841 reported enrollees monthly. However, there was an average of 1624 reported enrollees from the four programs combined. Below is a table showing the number of enrollees in the four separate programs covered by the TRS contract and the amounts paid to the County during the audit period.

	Reported Number of TRS Contract Enrollees					Monthly Amount Paid
	Probation	Pretrial Diversion	Pretrial Release	Alternative Community Service	Total	
July	893	610	171	6	1,680	\$2,637
Aug	838	635	165	3	1,641	\$2,607
Sept	791	602	155	4	1,552	\$2,604
Avg	841				1,624	\$2,616

We reviewed a small sample of probation payments and noted that the vendor had not made payments for all the amounts due based on the contract terms.

Corrections personnel stated that it would be cost prohibitive to perform a complete reconciliation. However, our review



confirmed that reconciliation procedures of the amounts paid compared to the amounts due pursuant to the TRS contract are needed. The County has no assurance that it is receiving all amounts that it should be receiving in accordance with the contract's terms unless it performs adequate reconciliation procedures.

Recommendation:

The Division should perform a reconciliation between the amounts received from the telephone reporting system vendor and the amounts due to the County under the terms of the TRS contract with the vendor.

Management's Response:

The Corrections Department expended considerable time and resources in an effort to implement this recommendation. However, our work with County ISS, the vendor, and attempts using a manual process to reconcile has been unsuccessful.

In discussing this recommendation further with the Comptroller's Office, they have advised that they have developed a reconciliation process they believe will work for Corrections, and they are willing to commit resources to train Corrections staff on this process. We are agreeable to working with the Comptroller's Office to that end, and once this process has been demonstrated, we will make a final determination as to whether it is feasible to continue the process on an ongoing basis.

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

During the prior audit, a sample of 30 closed probation offender files was reviewed to verify that offenders were supervised according to classification level, satisfied all conditions required by the court, and that their cases were properly closed and documented according to policy (SOP

FOLLOW-UP TO PREVIOUS RECOMMENDATIONS FOR IMPROVEMENT



Follow-Up of the Audit of the Orange
County Corrections Probation Unit

PROB-AM.004-003). The following results were noted during the review:

- Two files did not contain the signed Conditions of Probation form;
- Two files did not contain the Urinalysis Consent form;
- Three files were missing the Completion Letter issued to the Clerk of Courts; and,
- Three offenders had no six-month risk re-assessment conducted.

Prior Recommendation:

The Probation Unit ensures all files are complete and contain all required documents.

Status:

Implemented. We reviewed a sample of 20 probation offender files that were closed during the audit period. This review focused on required documents that were found to be missing in our previous audit. We did not note any missing forms in the sample reviewed for this follow up audit.