

Summit County Court of Common Pleas
Adult Probation
Performance Audit General Report

Prepared for:

The Honorable Judge Tammy O'Brien
Audit Committee

Approved by Audit Committee
December 15, 2015



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EXECUTIVE SUMMARY

Total Number of Issues –7

Policies and Procedures

Section	# Issues	Issue Descriptions	Page Ref.
Policies and Procedures	2	<ul style="list-style-type: none"> • Insufficient/outdated policies and procedures. • Policy and procedure manual not formally approved. 	8

Internal Controls

Strong Internal Controls:

Testing Section	# Issues	Issue Description	Page Ref.
Purchasing	0	N/A	10
Asset Inventory			11
Payroll			11
Fringe Benefits			12
Personnel Files			14
Vehicle Log			14

Weaknesses in Internal Controls:

Testing Section	# Issues	Issue Descriptions	Page Ref.
Expenditures	2	<ul style="list-style-type: none"> • Funds not encumbered prior to expense. • Non-compliance with gift card disbursement policy. 	10
Grants	1	<ul style="list-style-type: none"> • Improper grant expenditures. 	12
Regulatory Compliance	1	<ul style="list-style-type: none"> • Non-compliance with ORC regarding a provider’s ability to view victim information. 	13
Probation Supervision	1	<ul style="list-style-type: none"> • Missing signed release of information form in probationer’s case file. • Missing signed copy of kiosk rules in probationer’s case file. 	14

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GENERAL BACKGROUND

The County of Summit Adult Probation Department (Adult Probation) is part of the General Division of the Court of Common Pleas. The Department works under the direction of the Common Pleas Judges and the Court Executive's Office. Adult Probation is charged with providing supervision of offenders in the community, as well as producing various investigative reports for the Court. The goal is to facilitate effective and efficient rehabilitative efforts for the offenders resulting in the creation of a safer environment for the citizens of Summit County. Supervising offenders includes maintaining personal contact with the offenders and making appropriate referrals to community agencies.

The Adult Probation Department consists of the following supervision units:

- General Supervision
- Domestic Violence
- Felony DUI
- Intervention in Lieu of Conviction
- Intensive
- Mental Health
- Pretrial Services
- Reentry
- Sex Offenders
- Turning Point Program
- Community Service

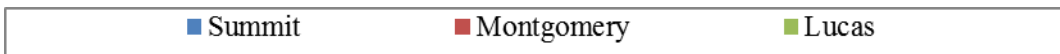
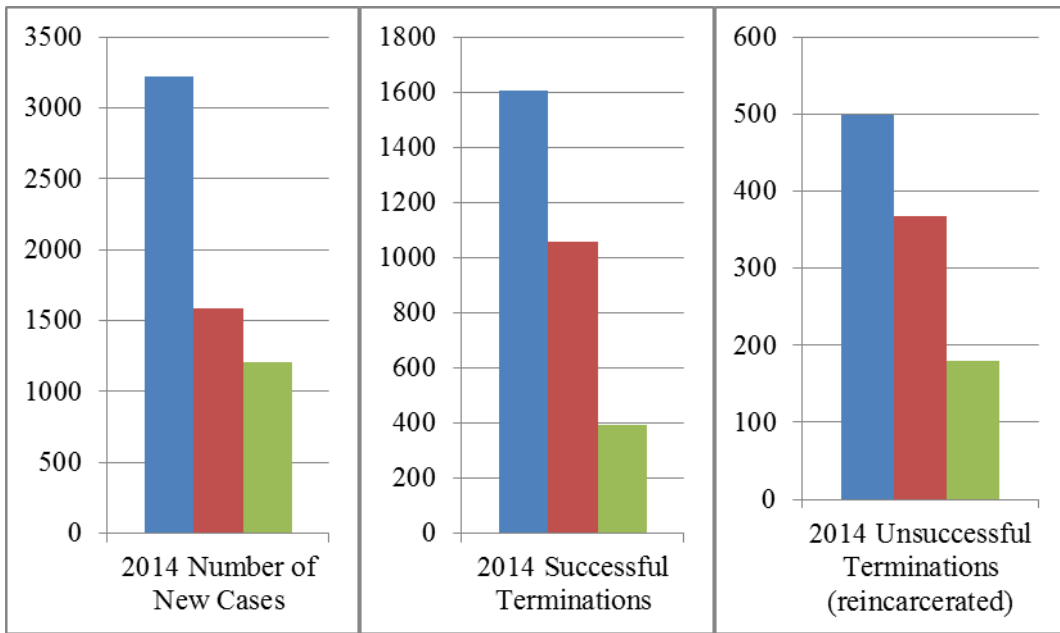
Adult Probation is also responsible for providing the Court of Common Pleas with various investigative reports.

Adult Probation consists of sixty-eight (68) employees comprising of the Chief Probation Officer, Supervisors, Probation Officers, LEADS/Community Service Coordinator, Sealing Investigator, Financial Enforcement Coordinator, Intervention in Lieu of Conviction Assessment Officer, Pre-trial Officers, Staff Support Specialists and Secretaries. Adult Probation's 2014 and 2015 budgets totalled \$3,804,040 and \$3,790,000, respectively (0.8% of the 2014 and 2015 County operating budgets)¹.

IAD compared the Adult Probation Department's 2015 operating budget, staffing levels, number of probationers in supervision at year end 2014, new probation cases created in 2014 and total successful and unsuccessful (re-incarcerated) terminations in 2014 to comparably populated counties – Montgomery and Lucas. The comparisons are represented in the graphs on the next page:

¹ <https://co.summitoh.net/images/stories/Finance/pdf/OperatingBudget/2014OperatingBudget.pdf>
<https://co.summitoh.net/images/stories/Finance/pdf/OperatingBudget/County%20of%20Summit%202015%20Proposed%20Operating%20Budget.pdf>

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AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

The primary focus of this review was to provide the Court of Common Pleas Adult Probation Department (Adult Probation) with reasonable assurance, based on the testing performed, on the adequacy of the system of management control currently in effect for the audit areas.

Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance. Management is responsible for establishing and maintaining effective controls that, in general, include the plan of organization, as well as methods and procedures to ensure that goals are met. Specific audit objectives include evaluating the policies, procedures, and internal controls related to Adult Probation.

We conducted this performance 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.

Based on the results of our review, we prepared specific issues and recommendations for improvement that were discussed with management. These recommendations, as well as management's unaltered written response, can be found in the following sections of this report.

Objectives:

- To obtain and review the current policies and procedures.
- To review the internal control structure through employee interviews and observations.
- To perform a general overview of the physical environment and security of the facilities, data, records and departmental personnel.

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Scope:

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by the Adult Probation from July 1, 2014 through June 30, 2015.

The following were the major audit steps performed:

OBJECTIVE 1 – POLICY AND PROCEDURES REVIEW

1. Obtain and review the current policies and procedures.
2. Meet with the appropriate personnel to obtain an understanding of the current department processes and procedures. Compare those existing processes to the policies and procedures manual for consistency, noting all exceptions.
3. Obtain and review the document retention policy and determine if policies and procedures are currently in place and being followed.
4. Test procedures for mandatory compliance where applicable.
5. Identify audit issues and make recommendations where appropriate.

OBJECTIVE 2 – REVIEW OF INTERNAL CONTROLS

1. Meet with the appropriate personnel to obtain an understanding of the control environment.
2. Document the existing control procedures in narratives and/or flowcharts.
3. Compare existing processes to the policies and procedures manual for consistency.
4. Test procedures for compliance where applicable, noting all exceptions.
5. Investigate discrepancies and summarize results.
6. Make recommendations where appropriate.

OBJECTIVE 3 – REVIEW OF SECURITY (covered in a separate report in compliance with ORC §149.433).

1. Perform a general overview of the physical environment and security of the department/agency being audited.
2. Interview various personnel to determine that confidential information is secure and processed only by appropriate parties.
3. Test security issues where appropriate.
4. Analyze current policies and make recommendations.

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DETAILED COMMENTS

Interviews:

To gain an understanding of the Adult Probation, IAD performed interviews with the following positions/employees:

- Chief Adult Probation Supervisor
- Administrative Human Resource Specialist
- Adult Probation Supervisor
- Senior Adult Probation Officer
- Adult Probation Officer
- Community Service Coordinator
- Senior Pre-Trial Release Officer
- Pre-Trial Release Coordinator

Any issues noted are addressed in the respective sections of this report.

I. Policy and Procedures Review:

Policies and procedures were reviewed for each applicable testing sections within the audit for accuracy and completeness and compared to current processes for consistency. A Summit County Court of Common Pleas court order was reviewed for records retention and compared to processes throughout the audit to ensure that the schedule contained all relevant documents.

The following issues were noted:

1. Issue:

Upon review of policies and procedures, IAD noted insufficient/outdated policies and procedures in the following areas:

- Asset tracking
- Removal of the sex offender's contact table in Chapter 4 §421.
- Addition of offender reporting requirements to Chapter 4 §403 for the Intensive Supervision Unit, Mental Health & Domestic Violence Unit.
- Removal of supervisory approval from Chapter 4 §403 for adjusting offender reporting period for high or moderate risk offenders
- Incorrect references:
 - Chapter 2 §231 reference to Chapter 4 §412.11
 - Chapter 4 §419 reference to ORC §4507.16(F)
 - Chapter 5 §505 reference to ORC §2929.02(F)

Recommendation:

IAD recommends that Adult Probation create/update, approve, and disseminate written policies and procedures for all functional areas within the agency. This will help to ensure that proper procedures are in place and consistently followed within the department.

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Corrective Action Prior to the End of Fieldwork

IAD obtained the updated version of the Sex Offender policy on 7/28/15 and noted that the contact table has been removed. IAD obtained the updated Intensive Supervision and Domestic Violence Unit's policy on 8/13/15 and the updated Mental Health Policy on 8/17/15 and noted that the offender reporting requirements were included. IAD obtained the updated high and moderate risk policy on 8/19/15 and noted that supervisor approval for adjusting the offender reporting period was removed. In addition, IAD obtained the asset tracking policy on 7/30/15. Additionally, IAD noted incorrect references were updated.

Management Action Plan:

We will continue to monitor and update the Policy and Procedures Manual as needed.

2. Issue:

Upon review of policies and procedures for completeness and accuracy, IAD noted that the Adult Probation Policy and Procedure Manual has not been formally approved by management.

Recommendation:

IAD recommends that all policies and procedures be formally approved by management. This will help to ensure that approved policies and procedures are accurate and consistently followed by employees.

Corrective Action Prior to the End of Fieldwork:

On 8/24/15, IAD noted the Adult Probation Policy & Procedure Manual was formally approved by management.

Management Action Plan:

We will continue to monitor and approve as needed.

II. Internal Control Testing:

Risk-based internal control testing and/or observations were performed in the following areas:

- Purchasing
- Expenditures
- Asset Inventory
- Payroll
- Grants
- Fringe Benefits
- Regulatory Compliance
- Personnel Files
- Vehicle Log
- Probation Supervision

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PURCHASING

Policies and procedures were reviewed, interviews were conducted, and flowcharts were created and approved to gain an understanding of the purchasing process. Samples of purchase order requisitions and purchase orders were judgmentally selected and detail testing was performed to test for proper documentation and approvals. Additionally, a sample of PO changes and discharges were judgmentally selected and detail testing was performed to confirm proper documentation and approvals.

No issues were noted.

EXPENDITURES

Policies and procedures and applicable ORC sections were reviewed, staff interviews were conducted, and flowcharts were created and approved to gain an understanding of the expenditure cycle, the laws and regulations that govern it, and internal controls in place. A sample of expenditures was randomly selected and detail expenditure testing was performed to verify that funds do not remain encumbered for prior year purchase orders, confirm proper approval, proper authorizations, funds were encumbered prior to incurring the expense, and the appropriate vendor and amount were paid.

Banner user and permission reports were obtained and detailed testing was performed to ensure proper segregation of duties over the purchasing/expenditure cycles.

A sample of expenditures from the Probation Services Fund was judgmentally selected and detail testing was performed to ensure compliance with the requirements noted in ORC §321.44. Additionally, probationer gift card disbursements were reviewed to ensure proper support was maintained and non-used gift cards were accounted for.

The following general recommendation and issues were noted:

General Recommendation

Upon testing of Banner permissions, IAD noted two (2) employees with the ability to create and approve invoices in Banner, This provides an opportunity for a user to approve an invoice that he/she entered in Banner, creating an improper segregation of duties; however; during detail testing, IAD noted this did not occur and a proper segregation of duties is being exercised. IAD recommends that Banner permissions be reviewed for reasonableness and revised as deemed necessary.

3. **Issue:**

Upon detail testing of Banner expenditures, IAD noted three (3) of eleven (11) instances where funds were not properly encumbered prior to incurring the expense (e.g., purchase order date after the invoice date).

Per ORC §5705.41, no order involving the expenditure of money shall be made without a certificate of the Fiscal Office (purchase order).

Recommendation:

IAD recommends that funds be encumbered prior to incurring the expense/liability. This will help to ensure proper expenditure of funds in accordance with ORC §5705.41.

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Management Action Plan:

Going forward, we will ensure the proper expenditure of funds in accordance with ORC § 5705.41.

4. Issue:

Upon detail testing of gift card disbursements, IAD noted six (6) of fifty-five (55) instances where the Probation Officer did not sign-off on the Gift Card Tracking Form. In addition, IAD noted six (6) out of fifty-five (55) instances where the offender did not sign off on the Gift Card Tracking Form, in accordance with departmental policies and procedures.

Recommendation

IAD recommends that both the Probation Officer and Probation Offender signatures are obtained prior to disbursement of the gift card. This will help to ensure gift cards are properly tracked and disbursed.

Management Action Plan

Going forward, we will obtain both Probation Officer and Probation Offender signatures prior to disbursement of the gift card.

ASSET INVENTORY

Policies and procedures were reviewed and staff interviews were conducted to gain an understanding of the asset inventory processes and internal controls in place. A sample of assets was judgmentally selected and detail testing was performed to verify the existence of the assets and the accuracy of the asset tracking system.

No issues were noted.

PAYROLL

An interview was conducted to gain an understanding of the payroll process. A sample of leave forms was selected and reconciled to Kronos to ensure accuracy. A payroll approval report was generated and reviewed to determine appropriate authorizations and to confirm a proper segregation of duties.

The following general recommendation was noted:

General Recommendation:

Upon discussion with Adult Probation staff and through detail testing, IAD noted paper leave forms are utilized when leave time is requested/approved. This data is then manually entered into Kronos. IAD recommends that Adult Probation begin to utilize the electronic leave forms within Kronos when requesting/approving leave time. Once approved in Kronos, the respective employee's time card is automatically updated. This will help to improve efficiency and reduce the potential for human error.

No issues were noted.

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GRANTS

An interview was conducted to gain an understanding of the grants process. A sample of grants was haphazardly selected, grant documents were reviewed and attributes were selected for detail testing to ensure compliance with the terms of the grant agreements.

The following general recommendation and issue were noted:

General Recommendation:

Upon discussion with Adult Probation personnel, IAD noted that a percentage of grant expenditures is required to be purchased from specified vendors (e.g., Minority Business Enterprises (MBE), Encouraging Diversity, Growth and Equity (EDGE) participants and Ohio Penal Industries and Ohio Industries for the Handicapped). If purchases cannot be made from these vendors, a waiver is required to be obtained. IAD noted no purchases made from these vendors and a waiver has not been obtained. IAD recommends that a waiver be obtained before the expiration of the grant period if purchases are not made from the respective vendors. This will help to ensure compliance with the SMART Grant Agreement.

5. Issue:

Upon detail testing of SMART expenditures, IAD noted fifteen (15) of one hundred eighty-three (183) instances where purchases totaling \$6,145.40 were made for out-of-state travel and are prohibited by the SMART Grant Fiscal Guidelines.

Recommendation:

IAD recommends that funds be reimbursed to the SMART grant account for funds expended for out-of-state travel before the end of the grant period. This will help to ensure compliance with grant expenditure requirements.

Corrective Action Prior to the End of Fieldwork

IAD reviewed Banner and noted that journal entries have been made to transfer the expenditures out of the SMART grant account.

Management Action Plan:

We will monitor out-of-state travel in the future and make sure we do not use SMART grant funds.

FRINGE BENEFITS

Detail testing of the following areas was performed, if applicable, to confirm that Adult Probation is properly processing fringe benefits in accordance with IRS tax code:

- Travel and meals reimbursement
- Cash incentives, awards, gift awards and/or bonuses
- County paid life insurance policies over \$50,000
- Uniforms and clothing allowances
- Employment contracts

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- Agency vehicle usage
- Allowances for firearms or tasers and/or any other non-lethal weapon
- Tuition assistance and reimbursement
- Subcontracted employees
- Domestic Partnership health insurance benefits

No issues were noted.

REGULATORY COMPLIANCE

Ohio Revised Code (ORC) §2951 was reviewed, attributes were developed, and detail testing was performed to ensure the following:

- The total period of supervised community service work imposed does not exceed five (5) years (ORC §2951.02(B)(5).
- Any presentence investigation report or offender background investigation report that the department discloses to a community-based correctional facility, halfway house or medical, mental health or substance abuse treatment provider shall not include a victim impact section or information identifying a witness (ORC §2951.03(A)(3).
- If the court grants an offender's request for intervention in lieu of conviction and the offender fails to comply with any term or condition imposed as part of the intervention plan for the offender, the supervising authority for the offender promptly shall advise the court of this failure (ORC §2951.041(F).

The following issue was noted:

6. Issue:

Upon detail testing of user access to the Summit County Online Records System (SCORS), IAD noted eight (8) instances where a treatment provider (Oriana House) has the ability to view the victim impact statement and victim information contained within the Presentence Investigation Report. Per ORC §2951.03(A)(3), any investigation report disclosed to a treatment provider shall not include a victim impact section or information identifying a witness.

Recommendation:

IAD recommends that access be removed or restricted so that providers with access to SCORS cannot view restricted information. This will help to ensure compliance with applicable legislation.

Corrective Action Prior to the End of Fieldwork:

Upon review of treatment provider access, IAD noted that the ability to access the victim impact section and information identifying a witness has been removed.

Management Action Plan:

We will monitor this in the future to make sure it does not occur again.

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PERSONNEL FILES

Policies and procedures were reviewed and an interview was conducted to gain an understanding of the personnel files process. A sample of personnel files was selected and reviewed to confirm completeness of records and confidential information is maintained separately.

An interview was conducted to gain an understanding of Adult Probation's employee training requirements. A sample of employees was judgmentally selected and detail testing was performed to ensure the required amount of training was obtained.

The following general recommendation was noted:

General Recommendation:

Upon detail testing and discussion with Adult Probation personnel, IAD noted that a tracking mechanism is not centrally maintained to record continuing education hours for Adult Probation personnel, creating inconsistencies in tracking required training hours. IAD recommends that Adult Probation maintain the tracking sheets in a central location. This will help to improve consistency of recording required State mandated training.

No issues were noted.

VEHICLE LOG

Vehicle logs were obtained and reviewed to determine employees operating a County vehicle, and compared to the SambaSafety report (showing employees authorized to operate a County vehicle) to ensure that employees had been properly authorized, in accordance with Codified Ordinance §169.25(i)(3).

No issues were noted.

PROBATION SUPERVISION

Policies and procedures were reviewed, staff interviews were conducted and a flowchart was created and approved to gain an understanding of the probation supervision process. Samples of probation cases were selected and detail testing was performed to ensure the following:

- The proper amount of contacts was made and the required documentation was completed.
- Monetary obligations (costs/fees/fines) were paid in full ninety (90) days prior to termination or a financial obligation memo was sent to the court.
- The proper number of contacts was attempted prior to the issuance of a capias request.

The following issue was noted:

7. Issue:

Upon detail testing of probation supervision policies and procedures , IAD noted six (6) out of forty-five (45) instances where a signed release of information form was not obtained and two (2) out of five (5) instances where a signed copy of the kiosk rules was not obtained from the probationer.

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Recommendation:

IAD recommends that Adult Probation obtain and retain signed copies of the release of information and kiosk rules forms when applicable. This will help to ensure accountability of the probationer and compliance with Adult Probation policies and procedures.

Management Action Plan:

We will monitor this to ensure the releases are signed and the kiosk rules are given.

II. Security:

Security issues noted during fieldwork are addressed under separate cover in the accompanying report in compliance with ORC §149.433.