



Audit Report Number 2006-03
City of Richmond
Department of Juvenile Justice Services
(Justice Services)
21 months ended March 31, 2005

Prepared by
CITY AUDITOR
Richmond, Virginia

Submitted to
The Honorable Members of City Council
September 8, 2005

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The Honorable Members of City Council
Richmond City Audit Committee
City of Richmond, Virginia 23219

City Auditor's Report

SCOPE

We audited the books, accounts and records of the Department of Juvenile Justice Services (JJS) for the 21 month period ended March 31, 2005. We also reviewed the Richmond Probation Services and Richmond Pretrial Services Programs for the nine month period ended March 31, 2005.¹ We have reviewed and evaluated the Department's fiscal administration and system of internal controls for the same period to the extent considered necessary.

OBJECTIVES

Our audit objectives were to:

- ❑ ensure the Department's administration complied with fiscal policies and had established an adequate system of controls,
- ❑ determine if Richmond Pretrial Services and Richmond Probation Services contracts were adequately monitored to ensure contractor compliance,
- ❑ determine whether the Detention Unit adhered to State training and certification requirements, and
- ❑ determine whether performance measures were accurately accumulated and summarized.

We also identified opportunities for improvement in the internal control structure. Our testing did not indicate any internal control weaknesses that would allow material misstatement in the records processed and maintained by the City to go undetected.

¹ The shorter scope for these two programs was the result of the Department contracting with a new vendor to provide these services, after determining the previous agency's employee's embezzled funds and falsified documentation.

METHODOLOGY

We conducted our audit in accordance with Government Auditing Standards for Performance Audits issued by the Comptroller General of the United States. During the course of our work, we reviewed supporting documents, evaluated management controls, interviewed appropriate staff and conducted other appropriate tests. We believe that our audit provides a reasonable basis for our conclusions regarding the internal control structure and our recommendations.

CONCLUSIONS

- ❑ Several areas within the Department's fiscal administration needed improvement for which recommendations were issued.
- ❑ Several controls were in place to assist both the Department and the contractor to monitor for compliance. The current controls for the Probation and Pretrial Services contractor need to be strengthened and some additional controls need to be implemented.
- ❑ We could not express any conclusions regarding the annual training requirements. The training records for FY 2004 were destroyed in the flooding caused by Gaston and employees had until June 2005 to complete their training requirements for FY 2005. However, the Department did not conduct orientation for new staff in compliance with State requirements.
- ❑ The means of tracking and accumulating the performance data was adequate. However, the data was incorrectly summarized. Subsequently, the reported results were not representative of the performance measures.

The management of the City of Richmond, Virginia, is responsible for maintaining financial records. It is also responsible for establishing and maintaining a system of internal accounting control and management control. In fulfilling this responsibility, management is required to assess the expected benefits and related costs of control procedures.

We discussed the attached comments and recommendations with both JJS and Richmond Probation and Pretrial Services management throughout the audit and formally on July 1, 2005 and August 29, 2005; we have included JJS management responses from the responsible officials. We would like to thank the departmental management and staff for their cooperation and assistance during this audit.

This report is intended for the members of the Richmond City Council, the City Audit Committee, the City and departmental management of the City; it is a matter of public record.

Respectfully submitted,

Lance Kronzer, CPA
City Auditor

Yolanda McCoy, CGAP
Auditor III

Shawnise Newsome
Auditor II

July 1, 2005

Executive Summary

Department of Juvenile Justice Services

Background

The Department of Juvenile Justice Services (JJS) provides a variety of services to youths and their families who are either at risk of involvement in the juvenile justice system or have been formally processed by the Juvenile and Domestic Relations Court.

The agency is a part of the Human Services portfolio which includes: (1) Department of Social Services, (2) Department of Public Health, (3) Human Services Commission, (4) Department of Parks, Recreation and Community Facilities, and (5) East District Initiative.

The Department provides services in nine different areas: (1) Prevention, (2) In-Home, (3) Diversion, (4) Monitoring and Surveillance, (5) Community-Based, (6) Counseling and Case Management, (7) Groups, (8) Residential Care, and (9) Secure Confinement.

Mission

“The mission of the Department of JJS is to promote public safety, reduce recidivism, and prevent juvenile delinquency through a continuum of services that empowers all participants to achieve measurable success (Biennial Fiscal Plan).”

Achievements

The Department was awarded the Digital Government Achievement Award for 2004 for its Graduated Intervention Levels System (GILS). GILS is an electronic database used to track the service needs of the youth and monitor their progress in provided services.

On July 1, 2005, the Department’s name was formally changed to Justice Services.

Richmond Probation and Pretrial Services

Background

Parole was abolished in Virginia for felonies committed after January 1, 1995 and the Comprehensive Community Corrections Act and the Pretrial Services Acts were established to create local community-based probation and pretrial services programs.

These acts authorized the Department of Criminal Justice Services (DCJS) to offer funding to counties and cities to develop, establish, and maintain programs for the purpose of providing the judicial system with sentencing alternatives for offenders convicted of certain misdemeanors and non-violent felonies, pretrial background investigations, and supervision for pretrial defendants.

A State grant was awarded to the City in 1995. The City contracted with the Richmond Office of Community Corrections (ROCC) to carry out the grant provisions. During FY 2004, ROCC came under fire when one of its clients fatally shot a Richmond police officer. The courts determined that the program did not adequately monitor the client and that documentation was falsified to indicate that monitoring had occurred. Further investigation determined that one of the program's probation officers embezzled client fees that were paid at the office. Finally the program was not in compliance with the developed Standard Operating Procedures (SOP's).

An independent audit was ordered by the Law Department. The audit was conducted by an outside firm between October 27, 2003 and November 3, 2003. The audit team tested the program for compliance with the standards for Local Community Corrections and Pretrial Services, which encompass 92 standards. Of the 92 standards:

- ❖ ROCC was in compliance with 45 standards;
- ❖ ROCC was not in compliance with 42 standards; and
- ❖ 5 standards did not apply.

During late FY 2004, this contract was re-bid and awarded to the Capital Area Alcohol Safety Action Program (CAASAP). Two separate programs were created and formally named Richmond Probation Services and Richmond Pretrial Services.

Mission

"The Richmond Probation Services Program has a public safety mission to provide cost beneficial post sentencing alternatives for

select non-violent offenders in an effort to reduce repeat offenders, reduce jail overcrowding and enhance public safety by offering rehabilitative opportunities to the local responsible offender population (Standard Operating Procedures).” Some of the general services offered by the Program include:

- supervising clients;
- conducting client screenings and assessments;
- conducting substance abuse testing; and
- providing service referrals.

“The mission of Richmond Pretrial Services is to reduce jail overcrowding caused by the detention of pretrial defendants, assist the courts in making better-informed bond decisions, and enhance public safety through evaluation and supervision of pretrial defendants (Standard Operating Procedures).” Some of the general services offered by the Program include:

- interviewing and investigating defendants awaiting arraignment;
- providing background information and recommendations to assist the courts in making bail decisions; and
- supervising clients placed in pretrial services.

Program Obstacles

The two Programs have been operating for approximately one year. Throughout the year, CAASAP encountered several obstacles that have affected the efficiency of the Programs.

- During the onset of the contracts, CAASAP staff was charged with researching and closing outstanding cases from the former Program in addition to processing new referrals. The effort to discern what happened with cases under former management consumed many man-hours.
- The Programs were plagued with staffing issues. Pretrial Services initially hired the former ROCC staff. *By mid-March, the Program had experienced 100% turnover of the former staff.* Between July 2004 and March 2005, the Programs experienced a turnover rate of 26%.
- Both Programs were understaffed throughout the contract. Accepted practices² indicate that the appropriate offender-to-staff ratio for probation supervision is 60:1. As of 3/31/05, the ratio³ was 77:1. As of the end of the fiscal year 2005, the ratio was 79:1.
- The Programs incurred difficulties in obtaining the

² The acceptable practice ratio was taken from the Community Corrections Act and Pretrial Services Act Alternative Funding Methodology Feasibility Report.

³ The daily average caseloads for the Program were compared to the number of Probation Officers to calculate the ratios for March and the end of the fiscal year. The daily average caseloads were taken from the applicable monthly statistical reports.

necessary training because courses were unavailable. The earliest some of the training could be obtained was November 2004.

- The Programs experienced connectivity issues with some of the required electronic databases/systems.

Several weaknesses, which are included in the findings and recommendations section of the report, were observed in our audit of the administration of the Probation and Pretrial Services Programs. CAASAP was aware of some of these issues and has been diligently working to implement the necessary corrective actions; some of the recommendations have already been implemented. Correcting these weaknesses will enhance the overall efficiency of the Programs.

Summary of Recommendations

In order to improve operations and better achieve the Department's objectives, we made recommendations for management's consideration:

1. Increase monitoring to ensure adherence to State training requirements.
2. Ensure funding sources are only utilized for intended purposes.
3. Strengthen controls over the cash receipts process.
4. Ensure all grant expenditures are reviewed and approved by the Grant Program Manager.
5. Ensure vendors are only compensated for acquired goods/services.
6. Adhere to policies and procedures.
7. Ensure the performance results reported are representative of the measures.
8. Ensure corrective actions are implemented to address weaknesses in the structure and operations of the Probation and Pretrial Services section (**Major**).

Several recommendations were also issued to CAASAP in order to improve the operations of Probation and Pretrial Services as well as help the programs achieve their goals. (**See Recommendation # 8**)

FINDINGS AND RECOMMENDATIONS
Department of Juvenile Justice Services: General

1. Ensure Adherence to State Training Requirements

Training for the Juvenile Detention Center staff is mandated by the State Department of Juvenile Justice. According to the Virginia Code, all full-time staff that provides direct services or supervision to residents or families must receive at least 40 hours of training annually. In addition to the annual training, an initial orientation must be provided to all staff, relief staff, volunteers, and interns. The orientation should be conducted within one calendar month of employment and at least address the below items.

- facility program philosophy and services;
- residents' rules and the facility's behavior management program;
- residents' rights and responsibilities;
- residents' disciplinary and grievance procedures;
- security and emergency procedures; and
- documentation requirements.

Conclusions regarding staff compliance with annual training requirements could not be expressed. The training documentation for FY 2004 was destroyed during the flooding caused by Gaston. Also, the employees had until June 2005 to complete their training for FY 2005 which extended beyond our audit scope.

However, Audit noted that orientation training was not conducted in a timely manner for 70% (7 out of 10) of the employees we reviewed.

In addition to the finding noted above for orientation training, several areas for improvement were also noted.

- Collaborative documentation was not maintained to support all of the recorded training hours. Internally prepared training request forms were only maintained to support the acquired training hours. However, these forms are not sufficient evidence that the employees actually attended the training; class rosters, certificates, completion letters, etc should be maintained.

Training opportunities are offered by the State⁴, the City and in-house. Class rosters for in-house training should be completed and maintained to support recorded hours. The roster should include the employee's name, employee's signature, topic, date, instructor's name and number of training hours. Every effort should be made by the employees/and the Detention Home to obtain supporting documentation for training offered by the City.

- ❑ The electronically tracked training records were not very detailed; the report only included the employees' names and the total number of training hours. This information is remitted to the Detention Home Superintendent and the employees' Supervisors to provide a status update. The State requirements outline several specific training sessions that must be taken each year. The provided documentation is not sufficient to allow the Superintendent and the Supervisors to adequately monitor and determine if those training sessions were attended. The database should include the names of the training courses and the number of training hours for each course in addition to the employee names and total hours.
- ❑ Based upon discussions with various staff, there appears to be a lot of delegation of this function; no one wanted to assume responsibility.

During the State's most recent re-certification review, the Detention Home was cited for employees' noncompliance with training requirements.

RECOMMENDATION

We recommend that:

- a. Management ensures that the staff adheres to training mandates and that adequate documentation is maintained to support the training. They should implement procedures to ensure that the training requirements are **monitored** for compliance. Management should appoint someone to assume responsibility for the training function.

⁴ According to several State workers involved with the training function, supporting documentation is not provided to the Detention Staff. However, a log of the employees' training can be provided upon request. The Program Administrator is currently obtaining this listing at the end of the fiscal year. A recommendation will be issued that listing be obtained at least quarterly. This will coincide with when the training information is forwarded to the Superintendent and the Supervisors and alert management of any potential noncompliance issues in a timely manner.

- b. The training database be updated to include more detailed information: employee's name, name of course, number of training hours for course, date of training, source of training, and total number of training hours.
- c. Training status updates should be forwarded to upper management in addition to the Superintendent and the Supervisors to enable a higher level of monitoring.
- d. The Program Administrator obtains training reports from the State for each employee. The reports should be obtained at least quarterly to coincide with the timeframe for which status updates are submitted to the Superintendent and the Supervisors. This will also alert management to any potential non-compliance issues in a timely manner.

MANAGEMENT RESPONSE

It is the responsibility of the Superintendent for ensuring that the Richmond Detention Center is in compliance with training requirements mandated by the State Department of Juvenile Justice. The responsibility of coordinating and monitoring may be delegated but the Administration holds the Superintendent responsible for any shortcomings that may result. The Deputy Director will review quarterly training status updates.

We are certain that the orientation was done in a timely manner because the training is done during the first two weeks of employment. Until this training is completed the staff is not allowed to work a schedule. The signing and dating of the training record is the problem with our procedure not that the training was not done. In the future, the training sheet will be dated the day that training is provided and at the end of the orientation period the Assistant Superintendent and the Program Administrator will review the training record to ensure compliance with standards. A copy of the completed record will be placed in the staff's individual personnel folder that is maintained at the facility. The Program Administrator, who is the Coordinator of Training for the Detention Center, will keep a copy of that training record.

The Department will create or purchase a data system no later than September 30, 2005, that will allow for the recording of training for each staff member. This recording will include the number of hours of training and dates, course titles and whether the training was mandatory or elective. The Agency will maintain a roster of all in-house training. Staff that attends training outside of the facility will be required to provide to Supervision a signed "Off Campus Training Form" that will include the type of training, number of hours and date(s). This form must be signed by the Trainer and cosigned by the staff's immediate supervisor who will be responsible for submitting the completed form to the Training Coordinator.

2. Use Funding Sources for Intended Purposes

JJS partnered with the Department of Social Services to provide administrative services (i.e. case management and supervision and service referrals) to prevent at risk children from being displaced from their homes (i.e. foster care, detention home, etc.). The City was reimbursed 50% of the eligible administrative costs that were incurred in accordance with the statewide Revenue Maximization Project and the Title IV-E of Social Security Act.

Based upon the partnership agreement between the two Departments, the funding was to be used to expand the City's pre-placement prevention program, specifically including the below items.

- Hiring a Coordinator position responsible for documenting, reporting and coordinating of information related to Title IV services and reimbursements.
- Expanding parent support and education services to prevent the removal of at risk youth from their home.
- Expanding the school social work services throughout the Richmond Public Schools division to target children at risk for out-of-home placements.
- Provision of educational alternatives for youth who exhibit behavioral problems in the school and are at-risk for out of home placement.
- Strengthen interagency service delivery in community settings targeting youth who are at-risk for out of home placements.

However, \$100,000 of funding from this Project was used to offset the start up cost of the Probation and Pretrial Services Programs which provide supervision for adult offenders and defendants. According to the Administrative Service Manager (ASM) for JJS, he was under the impression the funds could be utilized for any departmental purpose. Thus, he elected to use the funds to offset the startup costs for both programs to prevent any delays in providing client supervision. Though this appears to be an unintentional misuse of funds, the funds were inappropriately utilized and should be transferred back to the Project.

RECOMMENDATION

We recommend that management reimburse the fund and refrain from using restricted funding to finance other programs/services.

MANAGEMENT RESPONSE

The funds were used as an advance to the program. Management agreed to use the IVE funds until the new codes were established and an understanding of the cash flow was known. Management agreed to process a journal voucher against future invoices in order to transfer the expenses from the IVE account to the grant

before the funds were used. Management looked at the situation as a public safety issue. The need for supervision was considered a greater risk than the use of the funds.

However, management is in agreement with the recommendation. The Administrative Services Manager has processed the journal voucher in fiscal year 2005 and will refrain from using restricted funds.

3. Strengthen Controls over Cash Receipts

During our review of the Department's procedures for collecting and depositing cash receipts (currency, checks, money orders) we noted several areas for improvement.

- Receipts were not issued for all collected cash receipts; receipts were only issued for the collection of currency.
- All of the collected receipts were not recorded on a cash receipt log; checks were only recorded.
- Reconciliations were not performed for all of the deposited receipts to ensure they were deposited intact. Reconciliations were only conducted for the supervision fees which were collected and remitted to the Department by the probation services contractor.

Incorporating the necessary actions to address these areas will help strengthen the Department's existing controls and ensure that applicable staff is adhering to the requirements of the Finance's Cash Collection policy.

RECOMMENDATION

We recommend that management ensure that the staff adheres to Finance's Cash Collection Policy.

- a. Staff should record the collection of all receipts on a cash receipts log. At a minimum, the log should include the date, amount collected, payee, purpose, and receipt number.
- b. Receipts should be issued for all cash receipts.
- c. Also, prior to submitting the receipts to Finance for deposit, the ASM should reconcile the receipts on hand to the cash receipts log, ensure that the receipt numbers are in sequential order and inquire about any breaks in sequence. In addition, management should reconcile the deposits to the general ledger on a monthly basis to ensure all receipts are deposited intact.

MANAGEMENT RESPONSE

Management is in agreement with the recommendation. The department has implemented a cash receipt log that reflects all cash receipts collected. The receipt log tracks the date, amount, payee and purpose of the transaction. The department implemented this cash control in February 2005 and the Program Support Assistant is responsible for maintaining the log. The Program Support Assistant will issue a receipt for all hand delivered cash receipts. This cash control will be implemented no later than September 1, 2005. The Administrative Services Manager will reconcile the receipts on hand to the cash receipt log. The Administrative Services Manager will reconcile the deposits to the general ledger on a monthly basis. These cash controls will be implemented in September 2005.

4. Review and Approve All Grant Expenditures

One of the strongest controls over a program is to have the Grant Program Manager monitor (review and approve) all grant expenditures prior to payments being processed and remitted to the contractor/vendor. The Grant Program Manager is responsible for oversight of the grant funded project and assuring compliance with grant requirements, timelines, outcomes in accordance with grant application, award, and evaluation criteria. The Grant Program Manager is also the primary individual in direct contact with sub-grantees or contractors if applicable.

During our testing, we noted that 43% (10/23) of the reviewed grant expenditures were not reviewed and approved by the Grant Program Manager. Although, the payments were for allowable goods and services and approved by someone with authorization privileges, they could have been easily for ineligible items since the individual responsible for approving the payments was not involved with the grant on a daily basis.

If the Grant Program Manager is not involved in the payment review and approval process, unallowable expenditures may occur from grant funding for which the City would not be entitled into a reimbursement.

RECOMMENDATION

We recommend that the Criminal Justice Planner, who is serving in the capacity of the Grant Program Manager, review and approve all grant expenditures before submitting them to the Administrative Services Manager for final approval. The Criminal Justice Planner should initial and date the invoices to evidence review and approval.

MANAGEMENT RESPONSE

Management is in agreement with the recommendation. The review and approval of all expenditures by the program managers is a current policy of the agency. The Grant Program Manager and the Administrative Services Manager will follow the current policy effective immediately for all future invoices.

5. Compensate Vendors Only for Goods/Services Received

The Department acquired parking spaces for its employees from an outside vendor for \$60 a month per space. Between July and November 2004, the vendor charged JJS for 29 parking spaces. However, the Department only acquired 28 spaces. Apparently, the vendor had to replace one of the keycards and failed to remove the old card number from the system. Overpayments totaling \$300 were remitted to the vendor.

Good business practices dictate that all submitted invoices should be reviewed to ensure that the invoiced amounts are for acquired goods/services and are correct.

According to the Administrative Services Manager, the Department is currently working with the vendor to resolve this matter.

RECOMMENDATION

We recommend that management work with the vendor to recoup overpayments. Also, the responsible personnel should review all future invoices to ensure that all necessary changes have been incorporated and that the invoiced amount and number of parking spaces are correct prior to approval for payment.

MANAGEMENT RESPONSE

Management is in agreement with the recommendation. The Administrative Service Manager is working with the vendor to ensure the proper credit is issued to the department. The vendor was instructed to issue new parking passes only to the Program Support Assistant and the Administrative Services Manager but did not comply with our instructions. All future parking invoices will be reviewed by the Program Support Assistant to ensure that the invoiced amount and number of parking spaces are correct prior to payment approval. On a quarterly basis, the Administrative Service Manager will review the parking document to ensure that proper payment was done and correct any oversight. This cash control was implemented in August 2005.

6. Adhere to Policies and Procedures

As a part of the audit of the Department's fiscal accountability, we reviewed the general accounting for disbursements and cash receipts. In addition to operating under the citywide policies and procedures promulgated by Finance and Procurement, the Department also has internal disbursement and cash receipts policies and procedures.

The Department's internal procedures included additional procedures/steps that go beyond the City's requirements. The majority of the below exceptions were related to the additional requirements instituted by the Department.

We identified the exceptions noted below within our samples. However, it should be noted that all of the disbursements were for authorized purposes and no incidents of impropriety were noted.

Disbursements

- 38% (12/32) of reviewed invoices were not date stamped (**internal A/P policy**)
- 9% (3/32) of the reviewed invoices were not approved by the Program Manager (**internal A/P policy**)
- 9% (3/32) of the reviewed invoices were not in compliance with **Procurement policy**
- 9% (3/32) of the reviewed payments were not processed in a timely manner (**Procurement Policy**)
- 9% (3/32) of the reviewed petty cash purchases exceeded the established limit (**internal and Procurement Policy**)
- 31% (10/32) of the reviewed petty cash receipts were not cancelled (**Procurement Policy**)
- 94% (30/32) of the reviewed petty cash receipts were not dated and initiated by the Program Managers (**internal policy**)
- 25% (8/32) of the reviewed petty cash receipts were not remitted to the custodian within the required timeframe (**internal policy**)
- 16% (5/32) of the reviewed petty cash receipts exhibited inappropriate payment of sales taxes (**Procurement Policy**)

Receipts

- 13% (2/15) of the reviewed deposits were not performed timely, in accordance with Finance's Cash Collection policy.

RECOMMENDATION

We recommend that management provide adequate training to ensure that the responsible parties understand and adhere to the internal as well as City-wide policies and procedures.

MANAGEMENT RESPONSE

Management is in agreement with the recommendation. The Administrative Services Manager will conduct a training course for the Management team and Program Coordinators by December 31, 2005. The training will cover the citywide policies and procedures as well as the added controls developed for the agency.

7. Ensure Performance Results Reported Represent the Measures

A total of six performance measures were reported in the Biennial Fiscal Plan (budget book). One measure was reported for each of the following Programs:

- Community Monitoring;
- Community Service;
- In-Home Services;
- Diversion Services;
- Outreach; and
- Secure Detention.

All of the data used to calculate the actual performance results for FY 2004 were accumulated and tracked in the Graduated Intervention Levels System (GILS). GILS is an electronic database used to track clients' service needs and their progress in the provided services.

GILS is an excellent tool for tracking clients' service needs, service referrals and progress in assigned Programs. However, the system does not track the data in a manner that is consistent with the measures of performance adopted by the department (e.g., 75 points do not equal 75%). As such, the Department had to make several assumptions in order to convert the system data into a usable format for performance measure reporting purposes. Except for Secure Detention and Diversion Services program, the reported results were skewed for all of the Programs. We could not determine the extent of the distortion.

Finally, the data for Community Monitoring and In-Home Services was inaccurately summarized.

RECOMMENDATION

We recommend that management revisit its performance measures and revise the calculations to ensure that the reported results are more representative of what they intended to measure. The measures should be formatted in a manner that is consistent with the way the data is reported in GILS.

MANAGEMENT RESPONSE

Management is in agreement with the recommendation. The agency database and the activity based budgeting are fairly new concepts to the department. The Department is meeting with the Budget Office to review the performance measures, goals and objectives. Afterward the Director, Administrative Services Manager, Program Managers, and Database Manager will review all the current measures for each program and analyze to determine if the system can provide the required information. New measures and goal will be developed on or before January 31, 2006.



FINDINGS AND RECOMMENDATIONS

Richmond Probation Services and Richmond Pretrial Services

8. Implement Corrective Actions to Address Weaknesses (Major)

The chart below represents the weaknesses that the Auditor's office observed in the administration of the Probation and Pretrial Services Programs. CAASAP was aware of some of these issues and has been diligently working to implement the necessary corrective actions; some of the recommendations have already been implemented⁵. Correcting these weaknesses will enhance the overall efficiency of the Program. Also, the inclusion of these controls and strengthening of the existing controls will greatly improve both entities' abilities to monitor contract compliance.

Control Weakness/ Finding	Cause	Recommendation
Payment Inconsistencies:		
<ul style="list-style-type: none"> • Payment information was recorded in PTCC but not in Inferno or vice versa⁶. • Different dollar amounts were recorded in the two systems for the same transaction and single transactions were entered more than once. • Changes made in one system were not reflected in the other system. 	<p>(1) Both Probation Officers and the Administrative Assistant entered payment data into PTCC</p> <p>(2) Some of the assessed obligation amounts were incorrectly recorded as payments.</p> <p>(3) Payment information was not entered into PTCC in a timely manner.</p>	<p>(a) Limit the data entry function for payment information to the Administrative Assistant and an alternate. Train both individuals on entering payment information into PTCC.</p> <p>(b) CAASAP should reconcile the payment information in Inferno and PTCC for prior periods and update the databases accordingly.</p> <p>(c) Going forward, the payment information in Inferno and PTCC should be reconciled and any discrepancies researched and corrected prior to remitting the</p>

⁵ JJS and CAASAP entered into an "Audit Plan of Correction Agreement" that specifies the corrective measures CAASAP will take to remedy the identified control weaknesses. According to the agreement, the corrective measures to address the financial and operational weaknesses were implemented during July 2005. Corrective measures to address some of the payment inconsistencies were also implemented during July 2005; the remaining measures will be implemented by September 30, 2005.

⁶ Inferno is the contractor's internal financial system. Accounts receivable for the supervision fees are set up in this system and receipts are generated for the collection of fees. PTCC is a database maintained by the Department of Criminal Justice Services (DCJS).

Control Weakness/ Finding	Cause	Recommendation
		<p>receipts to JJS.</p> <p>(d) CAASAP management should periodically review both payment systems to ensure the recorded information is consistent.</p> <p>(e) Whenever possible, the payment information should be entered into PTCC during the same time it is entered into Inferno. At the very least, the data should be entered during the same week the information is entered into Inferno.</p>
<p>Financial Control Weaknesses:</p>		
<ul style="list-style-type: none"> • Pre-numbered receipts were not issued in sequential order for the collection of supervision fees. 	<p>A separate set of receipt numbers were not maintained specifically for the collection of supervision fees. CAASAP utilized the same sequence of receipts to account for all receipt collections.</p>	<p>A separate set of pre-numbered receipts should be obtained and issued in sequential order for supervision fees.</p>
<ul style="list-style-type: none"> • Restitution payments are remitted to the Probation Officers (PO's) to hold for victim pick-up. 	<p>This is the procedure in place for handling restitution payments held for pick-up.</p>	<p>The payments should be mailed. However, if it is necessary to hold a payment for pickup; the payment should be maintained at the front desk and issued by the cashier. The victim should be required to show a photo ID and sign for the payment.</p>
<ul style="list-style-type: none"> • The supervision receipts were not secured during the day. They were accessible to everyone in the cashier area. 	<p>CAASAP did not believe there was an issue with so many individuals having access to the receipts because of the controls that were in place.</p>	<p>Access to the cash receipts should be limited to the Administrative Assistant, the Director and the Assistant Director. The receipts should be maintained in a locked box.</p>

Control Weakness/ Finding	Cause	Recommendation
<ul style="list-style-type: none"> Voided transactions were not always reviewed and approved by the Director or the Assistant Director. Records of the voided transactions were not always forwarded to the Criminal Justice Planner. 	<p>CAASAP management indicated that all voided transactions were approved by the Assistant Director. However, the Administrative Assistant signed the voided receipts in error.</p>	<p>The Director or Assistant Director should review all voided transactions for appropriateness and sign and date the voided receipts. Copies of the voided transactions along with an explanation should be forwarded to the Criminal Justice Planner.</p>
<ul style="list-style-type: none"> Assessment refunds to clients are processed and remitted by CAASAP. 	<p>This is the process in place for handling assessment refunds.</p>	<p>It is recommended that CAASAP forward all refund requests to JJS for processing. The request should include, at minimum, the client's name, address, amount of refund, reason for refund, and date original payment was collected.</p>
<p>Operational Weaknesses/ Exceptions</p>		
<ul style="list-style-type: none"> Some of the requirements of CAASAP's standard operating procedures were not adhered to. 	<p>CAASAP management has attributed many of the case review findings to:</p> <ul style="list-style-type: none"> Staff turnover Understaffing Training issues Connectivity issues with required systems Issues encountered with ROCC cases Lack of finalized policies and procedures 	<p>(a) CAASAP should continue to work with JJS and the Criminal Justice Board to finalize the SOP's as soon as possible.</p> <p>(b) Staff should be retrained on the standards.</p> <p>(c) Management should ensure that the staff is adhering to policies and procedures via periodic case file reviews.</p>
<ul style="list-style-type: none"> Some of the case files were inadequately documented. 	<p>See above response</p>	<p>(a) Management should reiterate the documentation requirements and provide additional training.</p> <p>(b) Management should ensure that the staff is</p>

Control Weakness/ Finding	Cause	Recommendation
		<p>complying with the documentation requirements. The hardcopy documentation should be reconciled with the electronic database.</p> <p>(c) Where possible, management should consider creating standardized forms for various documentation requirements.</p>

The above recommendations relate to the actions that CAASAP needs to take to address the identified weaknesses.

JJS RECOMMENDATION

We recommend that management work with CAASAP to ensure the necessary corrective actions are implemented to address the above weakness and periodically monitor for compliance.

MANAGEMENT RESPONSE

Management is in agreement with the findings and recommendations. CAASAP has encountered several obstacles that have impacted the efficiency of the Pretrial and Probation Programs. Additionally, CAASAP management staff had identified many of the weaknesses listed in this report and has been diligently working on corrective actions since April 2005.

To further address the corrective strategies recommended in this report, we have endorsed an audit plan of correction agreement. The purpose of this agreement is to ensure that: (1) corrective actions have been taken to implement the recommendations, (2) implementation dates are established, and (3) the parties responsible for implementation are identified. Management will review the progress of these recommendations by December 31, 2005.

