



Department of Legislative Services
Office of Legislative Audits

**Department of Public Safety and
Correctional Services –
Division of Parole and Probation
Probation Intake and Fee Assessment
Processes**

Report Dated November 30, 2015



Department of Legislative Services Office of Legislative Audits

Audit Overview

- We conducted an audit based on an allegation received through our fraud hotline related to possible deficiencies in the recording and abatement of certain fees paid by offenders under the Drinking Driver Monitor Program (DDMP) administered by the Division of Parole and Probation (DPP).
 - DPP supervises offenders on parole and probation to ensure they are upholding requirements set by the courts and the Parole Commission.
 - The objectives of the audit were (1) to evaluate procedures and controls over the intake process when offenders are sentenced to probation, including the assessment of fees and restitution; and (2) to identify DDMP cases for which applicable monthly fees may have not been properly assessed.
 - As of July 2015, there were approximately 14,000 open DDMP cases.
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Probation Intake Process

- Offenders report to one of 44 DPP field offices per the probation order from the courts. Twenty DPP field offices handle DDMP cases.
 - DPP staff record offender information into the Offender Case Management System (OCMS) and the Offender-Based State Correctional Information System II (OBSCIS II).
 - OCMS is a case management system used to monitor the offenders, and OBSCIS II is used to account for fines, costs, fees, and restitution (FCFR) due and payments received from offenders.
 - OCMS was implemented in December 2012. While certain OCMS offender demographic data interface with OBSCIS II, FCFR data do not, and must be manually entered into OBSCIS II.
 - Offenders pay a monthly supervision fee and DDMP fee (if a DDMP case). Fees are manually calculated at intake by DPP staff. Supervision fees collected during FY 2014 totaled \$7.5 million and DDMP fees collected totaled \$6 million.
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DDMP Fund - Background

- State law, effective July 2005, created the DDMP fund as a special, non-lapsing fund to be used for all DDMP costs, and imposed a \$45 monthly fee on all DDMP offenders.
 - The DDMP fund had a deficit balance at June 30, 2008, requiring a \$1.5 million deficiency appropriation, and in June 2009 the monthly fee was raised to \$55.
 - DDMP revenues exceeded expenditures during FYs 2010 and 2011; however, beginning with FY 2012, expenditures have exceeded revenues each year through FY 2015.
 - During FY 2014, general funds of \$447,248 and a deficiency appropriation of \$400,000 funded expenditures of \$847,248 in excess of the DDMP fund balance.
 - During FY 2015 only payroll costs were charged to the DDMP fund. Non-payroll costs (typically \$880,000 a year) were charged to general funds, leaving a balance of \$223,451 in the DDMP fund.
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DDMP Fund - FY Financial Activity

DDMP Fund Activity Fiscal Years 2010-2015

Fiscal Year	DDMP Revenues	DDMP Expenditures	Fund Balance at Fiscal Year End
2010	\$7,428,761	\$6,448,788	\$979,973
2011	\$7,272,784	\$6,448,788	\$1,470,462
2012	\$6,884,040	\$7,032,325	\$1,322,177
2013	\$6,667,599	\$7,335,883	\$653,893
2014	\$6,045,344	\$7,546,485	\$0
2015	\$6,729,282	\$6,505,831	\$223,451

Source: State Budgetary Records



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Key Findings

- DPP did not revise its offender intake processing policies and procedures manual when a new automated case management system (OCMS) was implemented in December 2012. OCMS substantially changed and added more complexity to the intake process. Our review of intake processes in 6 field offices (responsible for 40% of probation cases) found certain inconsistencies.
 - Procedures and controls at the field offices were insufficient to ensure all fees and restitution were properly calculated, assessed, and recorded. OLA tests found errors in both over and under-assessments of fees or restitution.
 - User access in OCMS was not properly controlled and many users had excessive access.
 - An OLA match identified 3,983 cases in which DDMP fees were potentially under-assessed by a total of \$2.1 million. OLA tests found data errors in 32 of 45 cases tested. Because of certain data limitations, a reasonable estimate of total DDMP fee under-assessments is not determinable.
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Probation Intake Process

- DPP did not revise its offender intake processing policies and procedures manual when a new automated case management system was implemented in December 2012 (Finding 1).
 - After OCMS was implemented, DPP's Operations Manual was not revised and adequate training was not provided to guide intake staff on the new multi-step data entry process, and we noted inconsistencies between field offices. For example, staff at 2 of 6 field offices we reviewed were unaware that DDMP exemptions (for disabled offenders) should be recorded in OCMS, which led to inconsistencies with OBSCIS II when the fees were not recorded.
 - DPP did not have a formal policy stating whether to reduce DDMP fees when a case is abated by the courts after certain probation terms were met. A policy exists for supervision fees but not DDMP fees. Three of 6 field offices reviewed were reducing DDMP fees, while the others were not.
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Probation Intake Process (continued)

- DPP had not established adequate procedures and controls to ensure that all fees and restitution were properly assessed to offenders and recorded at four field offices reviewed (Finding 2).
 - Initial accountability was not established over probation orders (such as court orders) received to ensure that all orders were processed and recorded.
 - As of May 2015, none of the field offices reviewed had established a documented supervisory review for the intake process to ensure that all fees and restitution were properly calculated, assessed, and recorded in OBSCIS II, including those cases transferred from other field offices.
 - OLA testing found clerical errors in 9 of 20 cases opened at these four field offices in FY 2015. These errors included not assessing DDMP fees, over-assessing DDMP fees or supervision fees, and over-assessing court-ordered restitution.



OCMS User Access

- Procedures and controls over user access in OCMS were not sufficient. Many users had excessive access, defined system roles were not appropriately restricted, and data input controls were not comprehensive. As of May 2015, there were 1,696 users with access (**Finding 3**).
 - There was no documented supervisory approval for granting and modifying user access in OCMS, including access granted upon implementation.
 - DPP did not periodically review the propriety of access for the 1,359 users who had OCMS edit access. We noted that 11 of 14 users tested had improper or unnecessary access, which could allow errors in criminal records. Because changes to critical OCMS data were not recorded, these errors could remain undetected.
 - Controls were not comprehensive to ensure all critical information was properly entered into OCMS. For example, until June 2015, probation period ending date was not a required field.
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Data Match Test Results

- We conducted a targeted match of OCMS and OBSCIS II data which identified 3,983 cases in which DDMP fees were potentially under-assessed by \$2.1 million. We tested 45 of these cases for which DDMP fees totaling \$6,600 and supervision fees totaling \$15,210 had been recorded. Our tests found that DDMP fees totaling \$42,625 and supervision fees totaling \$11,300 were not properly assessed in OBSCIS II for 32 cases (Finding 4).
- For 21 of 45 cases tested, DDMP fees and/or supervision fees totaling \$38,360 were not assessed.
 - For 7 cases, DDMP fees totaling \$10,230 were incorrectly recorded as either supervision fees or testing fees.
 - For 1 case, DDMP fees were mistakenly waived rather than supervision fees of \$1,980.
 - For 3 cases, DDMP fees were under-assessed by \$3,355.
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Data Match Test Results (continued)

- For the remaining 13 of the 45 cases tested, although the fees assessed were correctly recorded in OBSCIS II, the cases were identified by our match due to other data problems, including the failure to record a DDMP exemption flag or an inaccurately recorded probation period.
 - Based on our review of 5 of the 32 cases with errors that had subsequently closed, processes in place to identify fee assessment errors at case closure were ineffective. Corrections to the assessed fees had not been made in OBSCIS II in any of these cases. The review at case closure represents the last chance to assess fees prior to closing the case and referring any recorded owed fees to the Central Collection Unit.
 - Because of data reliability problems in OCMS and OBSCIS II, and certain limitations in our match, the extent to which DDMP fees were actually under-assessed is unknown.
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Data Match Test Results (continued)

- The proper assessment and collection of DDMP fees are important since DDMP collections are credited to the DDMP fund which, as previously mentioned, has not been sufficient to fund the full costs of DDMP.
- As a result of this review, DPP initiated a review in June 2015 of all open cases to ensure that fees and restitution were properly recorded in OBSCIS II.



Conclusions

DPP should

- establish comprehensive intake guidance and training that addresses all critical processes, and establish a formal policy on the handling of DDMP fees when a case is abated;
 - establish initial accountability for all probation orders and an independent supervisory review of the intake process to ensure all fees and restitution are properly assessed and recorded in OBSCIS II;
 - establish a formal, documented process for granting, modifying, and reviewing OCMS user access, restrict access for users with improper access, enhance input validation controls, and produce reports of critical data changes for review;
 - take immediate corrective action on cases identified in our audit for which fees were not properly assessed; and
 - consider performing data matches between OCMS and OBSCIS II to identify errors and inconsistencies.
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