

**Dutchess County  
Office of Probation and Community Corrections  
Revenue Audit**

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## **Comptroller's Summary**

Probation's management team which is responsible for the oversight and monitoring of revenues has experienced several staffing changes over the past several years. The Commissioner agreed our review was conducted at an opportune time to assist the department with a review of procedures and make recommendations. Opportunities were identified to maximize revenues and enhance claiming and revenue reporting.

## **Organization**

The Dutchess County Office of Probation and Community Corrections (Probation Department) mission is to ensure community safety by providing intake, supervision and investigation functions for the local Criminal, Family and County court systems. The Probation Department administers alternatives to incarceration programs. Additional information is available on the Dutchess County website: [www.dutchessny.gov](http://www.dutchessny.gov)

## **Audit Scope, Objective and Methodology**

An audit was performed to review and assess the department's financial procedures, recordkeeping, billing and collection of revenue. The audit was performed for the period January 1, 2014 – November 30, 2015 and included a review of revenue trends for the period January 1, 2012 – December 31, 2015. Revenues reported for 2014 totaled \$3,717,658 and budgeted anticipated revenues for 2015 totaled \$4,368,858.

Selected accounts and transactions were sampled to review processes, verify revenue collection and account postings. Claiming practices, department records and county financial records were reviewed.

## **Summary of Findings and Recommendations**

Opportunities exist to increase oversight and monitoring of revenues to ensure accurate claiming, maximize revenue and record revenues in the appropriate year.

Specifically,

- In reviewing the historical revenues, it was found that some revenues did not consistently match the expenses for a particular year as monies were not properly accrued.
- Revenue collections for the DCFS contract were not maximized in 2014. Additional revenue not billed in the first three quarters of 2015 was identified and revised claims were submitted by Probation to DCFS to maximize revenue where possible.
- Probation's financial records should be reconciled monthly with DC Finance and accruals should be established at year end to capture all current year revenue.

## **Detailed Findings**

### **Revenue Recording**

To identify and review trends, historical revenue was summarized for each revenue line item for the time period January 1, 2012 – December 31, 2014. Revenue was reviewed for timeliness, accruals and line reporting.

**Findings:**

- Revenue received was deposited in a timely manner.
- Revenue over the 4 years reviewed was consistently not reported in the year it was earned. For example, a payment of \$26,717.44 on contract #13-0144 for the 4<sup>th</sup> quarter of 2014 was not accrued and the income was recorded in 2015.
- For the 4 years reviewed, selected revenue received on contract #13-0144 was not credited to revenue but to an expense line which resulted in a reduction in the expense.

**Recommendations:**

- Contract payments should be reviewed and accrued if not received in the year earned.
- Revenue received in payment of a contract should be credited to revenue and not used to reduce an expense line.

The following chart details the revenue accounts for the time period 2011 – 2014:

Probation & Community Corrections	2011	2012	2013	2014
<b>LINE - DESCRIPTION</b>				
15150 - ATI Bail Reimbursement	\$15,133	\$16,078	\$17,803	\$14,145
15890 - Other Safety	2,308,997	2,197,789	2,107,845	2,045,611
26830 - Self Ins Recoveries	3,774	5,331	4,046	2,159
26900 - Other Comp for Loss	718	198	625	677
27010 - Refund of Prior Year Expenses	35,507	38,984	259,897	7,579
27050 - Gifts and Donations	0	0	400	0
27700 - Unclassified Rev.	0	150	48	0
33100 - Probation Services	1,535,454	1,535,605	1,535,605	1,535,605
33890 - Other Pub Safety	108,450	115,916	103,070	111,883
43200 - Crime Control Totals	0	448	1,565	0
<b>TOTALS</b>	<b>\$4,008,033</b>	<b>\$3,910,500</b>	<b>\$4,030,905</b>	<b>\$3,717,658</b>

**Claim and Revenue Review**

Funding posted to the Other Safety – Account #15890 was primarily derived from a contract written annually with the Department of Community and Family Services (DCFS). This revenue contract provided funding for a PINS/JD (Person In Need of Supervision/Juvenile Delinquent) Diversion Program and a PINS/JD Supervision Program. Revenues are reported in four of the local revenue accounts as shown below in line 15890 on the Dutchess County financial statements.

A review of the claims and recording of revenue for Contract #13-0144 were reviewed.

The 2014 revenue contract for the Department of Probation was written in the amount of \$1,796,952.10 and supported the following programs:

2014 County Budget		2014 Contract Funding	
15890.02 PINS Diversion	\$1,074,437.00	Family Court	\$1,293,794.00
15890.11 Wraparound	4,000.00	Family Court	4,000.00
15890.12 Juvenile Supervision	692,782.00	Family Court Supervision	361,206.30
15890.17 Juvenile Pretrial	<u>126,100.00</u>	Curfew Monitoring	<u>137,951.80</u>
Total	<u>\$1,897,319.00</u>	Total	<u>\$1,796,952.10</u>

**Findings:**

- In reviewing the claims and expenditures, it was noted that all costs were not billed to the maximum allocations according to Probation’s reconciliation worksheet for 2014. Specifically,
  - Fringe Benefit costs were under billed by \$47,623.83.
  - Expenses totaling \$26,368 for “Linkages” a budgeted sub line were not billed. (The subline was not recorded on the worksheet)
  - Other expenses including administration totaling \$10,914.63 were unexpended.
- Also, in reviewing the budgeted line items (shown above), we noted the contract funding for each line did not reasonably match two of the corresponding contract dollars for these line items.

**Recommendations:**

- Final claims should be reviewed to ensure maximum amounts allowed and expended are claimed. Inquiry should be made with DCFS, the funding department, about the possibility to submit an adjusted claim.
- Methodology for allocating costs should be reviewed to maximize claimable expenses.
- The budgeted line dollars should reasonably correspond to the contract line items.

**Actions Taken:**

At the time of our review, we requested the agency follow-up on the 2014 claims and also the 2015 claims. Adjusted claims could not be submitted for 2014. However, the 2015 expenses were reviewed and permission was granted to adjust the budget and adjusted claims were submitted and paid for 2015.

Additional information regarding specific lines funded through this contract follow:

**DSS PINS Diversion (15890.02) & DSS Juvenile Supervision (15890.12)** –Funding is received from DCFS (through NYS Office of Children & Family Services- Community Optional Preventive Services (COPS) program, Title XX below 200% Eligibility-Family Assistance or Safety Net) to conduct a Persons In Need of Supervision/Juvenile Delinquent Diversion Program for youth referred for possible PINS and Juvenile Delinquent petitions to family court; Juvenile Supervision youth must be at risk for placement outside the home and outside the family. *(To coordinate services, Probation contracts for crisis intervention and family therapy with the Astor Clinic, substance abuse rehabilitation with DC Mental Hygiene, temporary shelter with River Haven, family mediation and crisis resolution with the Mediation Center).*

**DSS Wrap Around (15890.11)** – Funds can be used to maintain youth in the family home and may support transportation, health, mental health and client incentives.

**DSS Juvenile Pre-Trial (15890.17)** – Funding for curfew monitoring for access/compliance with treatment recommendations, bi-weekly meetings with individual youth to monitor progress towards personal goals, to discuss personal issues and track attendance at other relevant services.

**Other Revenues****Probation Services Account #33100**

The above revenue is received from New York State Department as a block grant. This amount is established by the State and has remained unchanged for several years.

**ATI Bail Reimbursement Account #15150**

Pursuant to General Municipal Law, bail fees are charged and credited to the Probation Department's revenue for the use of the alternatives to incarceration service plan. This money is sent directly to the Finance Department from local courts.

**Restitution Fee #15890.00**

Pursuant to NYS Criminal Procedure Law, a 5% surcharge is collected on restitution payments. A bank account is maintained for the restitution payment and for the fees collected. Checks are remitted monthly by Probation to the Dutchess County Department of Finance for the recording of this revenue.

MARCUS J. MOLINARO  
COUNTY EXECUTIVE



MARY ELLEN STILL  
DIRECTOR

**COUNTY OF DUTCHESS**  
OFFICE OF PROBATION AND COMMUNITY CORRECTIONS

February 5, 2016

James L. Coughlan  
Dutchess County Comptroller  
22 Market Street  
Poughkeepsie, NY 12601

Re: Revenue Audit

Dear Mr. Coughlan:

Thank you for the opportunity to review and provide a response to the revenue audit that was recently conducted for the Office of Probation and Community Corrections.

As mentioned in the summary, the audit was conducted at an opportune time to assist our department with a thorough review of our procedures regarding revenue. I am pleased to report that all of the recommendations have either been implemented or are in the process of being put into effect.

The department wishes to express its appreciation to you and your staff for the courtesy and professionalism shown throughout the audit process and for the recommendations contained in the report that will assist our agency to maximize revenues.

Sincerely,

Mary Ellen Still  
Director