

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

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## Comptroller's Summary

### 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 and Objective

The audit was performed for the period January 1, 2007 – December 31, 2007. The total expenditures for the Probation Department were \$11,974,337.72 in 2007. The objective of the audit was to review and verify:

- The department's process for claiming and receipting revenue including management oversight
- NYS and Federal grant claims and supporting documentation
- Financial reports, revenue reconciliations and bank reconciliations

Below are the budgeted revenues for 2007 and the revenues claimed and/or received to date for 2007. Adjustments for prior years are reflected in the county's financial statements which resulted in reductions to the 2007 receipts reported below:

Account	Description	Budget	Reported Amount <sup>1</sup>
3140.15000	Departmental Revenues	\$2,364,752.00	2,053,173.73
3140.26000 <sup>2</sup>	Sale and Compensation Loss	-0-	4,792.00
3140.27000 <sup>2</sup>	Misc./ Prior year revenue	-0-	67,457.08
3140.33000	State Aid	1,311,666.00	1,414,600.00
3140.43000	Federal Aid	0	8,798.22
	Total	<u>\$3,676,418.00</u>	<u>\$3,548,821.03</u>

### Summary of Findings

As of April 4, 2008 the Department recorded anticipated collections of approximately 96.51% of its budgeted revenue. The Department maintained supporting documentation of all revenue collections.

Oversight for revenue collection should be enhanced to ensure accurate claiming and to maximize revenue. Probation's financial records should be reconciled monthly with DC Finance.

<sup>1</sup> Reported as of 4/4/08.

<sup>2</sup> These accounts were not reviewed as part of the audit.

## **Detailed Findings**

A sample of each revenue account was selected for testing. At the time of our audit, New York State and contract claims were not entirely claimed and received.

### ***Reconciliation/Logos Reports***

#### Finding

- As part of the audit, Dutchess County financial records were compared to the Department's records of receipts. It was found the County financial records were not in balance with the department records. During the audit, additional reports were obtained for the Department for use in reconciliation.

#### Recommendation

- Reconciliation of revenues should be done monthly by the Department with the County Finance records and discrepancies corrected immediately. An increased knowledge of the Logos County financial system would assist in streamlining revenue reconciliation.

#### Finding

- Two revenue claims had calculation errors resulting in money due to the Probation Department. One NYS claim had an \$8,985.50 addition error which was adjusted during the audit. The other DSS claim had a \$527.96 error.

#### Recommendation

- The Department should institute an oversight process to review claims for accuracy.

### ***Bank Accounts***

The Probation Department maintains two bank accounts: A savings account for the collection of supervision fees and a checking account for the collection and distribution of restitution monies designated by court order for probationers to pay the victims of their crimes. Bank reconciliations were reviewed for the audit.

#### Findings

- The bank accounts were reconciled for each month's deposit and disbursement activity only. The Probation Department did not provide completed bank reconciliations for the restitution account.
- There was no indication on the bank reconciliations of oversight by another person.

#### Recommendations

- In addition to balancing each month's deposits and disbursements, ending bank balances should be reconciled to a schedule stating the owner of the funds.
- The person who reconciles the accounts should sign off on the bank reconciliation. In addition, a supervisor should review bank reconciliations periodically and initial the statement to acknowledge and provide oversight.

## Departmental Revenues

Departmental revenues recorded were comprised of the following:

Description	Account	Amount <sup>3</sup>
Bail fee	A.3140.15150	\$ 14,569.43
Restitution fee	A.3140.15890	13,210.31
DSS Contract 03-0688	A.3140.15890.02 A.3140.15890.10 A.3140.15890.11 A.3140.15890.12	1,628,487.66
DSS Contract 05-0313	A.3140.15890.07	25,165.04
DSS Transitional Living	A.3140.15890.08	201,724.00
Stop DWI Contract	A.3140.15890.13	60,000.00
City of Poughkeepsie Contract	A.3140.15890.14	1,031.37
Adult Supervision Fee	A.3140.15890.05	108,985.92
Total Revenue		\$2,053,173.73

### **Bail Fees**

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. A total of \$14,569.43 was credited in 2007.

### **Restitution Fee**

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. Computer generated reports were reviewed, a three month sample of fees collected were traced to the bank deposits. Bank deposits were traced to the county financial records. Deposits were made in a timely manner. Manual reports were in balance to the computerized reports. A total of \$13,210.31 was collected in 2007.

### **Department of Social Services (DSS) Contract 03-0688**

This contract was written for the period January 1, 2007 – December 31, 2007 in the amount of \$1,900,211.00. Funds provided for a PINS/JD (Person In Need of Supervision/Juvenile Delinquent) Diversion Program and a PINS/JD Supervision Program.

### **Finding**

Revenues are reported in four revenue accounts on the Dutchess County financial statements. We found a total of \$28,959.20 was recorded in error: \$4,844.28 Wrap Around funds and \$24,114.92 Adult Supervision funds. A total of \$1,628,487.66 was claimed and received under this contract. All funding had not been claimed at the time of the audit.

<sup>3</sup> Reported as of 4/4/08.

#### Recommendation

The county's financial records should be reviewed and reconciled for accurate reporting of revenues. In addition, the Probation Department should claim contract funds as soon as possible.

#### **Department of Social Services Contract 05-0313**

This contract was written for the period January 1, 2007 – December 31, 2007 in the amount of \$25,693.00. Funds provided services for domestic violence victims and the criminal justice process. The claim documentation totaled \$25,693.00; however the cover letter requested \$25,165.04. The \$25,165.04 was paid.

#### Finding

The Probation Department did not request the entire contract amount resulting in a \$527.96 error. The department stated the difference was claimed on a NYS Reimbursement (18%) and cannot be submitted to DSS for reimbursement.

#### Recommendation

The Probation Department should implement a process to review claims for accuracy to ensure expenses are claimed in their entirety.

#### **Transitional Living**

The Probation Department contracted with the vendor Project More, Inc. to provide a transitional living program for persons released from jail. The Probation Department receives \$29/per day for eligible DSS persons in the transitional living program. The Probation Department submits a bill to DSS monthly. DSS determines eligibility. A two month sample was reviewed for billing, receipt of funds and follow up procedures.

#### Findings

- Billings reviewed provided accurate dates of entry and discharge.
- Funds paid by DSS were matched to the dates claimed and recorded in Probation's ledgers
- The Probation Department did not have an adequate follow up process in place for outstanding accounts receivable. Nine of the 37 persons billed in August did not have an action listed indicating payment eligibility.

*During the audit, the Probation Department requested follow up from DSS for the August billing. Seven rejection letters were sent to Probation and two persons were eligible for reimbursement in the amount of \$754.00 which is due to Probation.*

#### Recommendation

A process should be implemented to document accounts receivable including follow up procedures and oversight to ensure all revenue is billed and received.

#### **Stop DWI Contract #07-0092**

This contract was written for the period January 1, 2007 – December 31, 2007 in the amount of \$60,000.00. Stop DWI funds were provided for an Intensive Probation Supervision Program for repeat offenders. A total of \$60,000.00 was claimed and paid for salary reimbursement.

### City of Poughkeepsie Revenue

A total of \$1,031.37 was claimed and received from the City of Poughkeepsie for a Gang Resistance Education and Training (G.R.E.A.T.). Reimbursement was for travel and lodging.

### Adult Supervision Fees

Authorized by local law, the Probation Department collects an administrative fee of \$30.00/month from adult probationers. A two month sample of receipt books were reviewed, receipts were traced into the data entry into the computer system (Tracker), to the generated reports and then into the bank account. We noted collections were approximately 40% below the budgeted amount of \$180,000.00. A total of \$108,985.92 was posted in fee collection.

Finding The financial records were not in balance to the computerized reports. The third quarter receipt was credited to another account in error.

Recommendation The Department should review and balance their financial reports for accurate reporting.

## ***NYS and Federal Revenues***

### New York State

New York State Division of Probation and Correctional Alternatives provides funding from the following sources: State Aid, Intensive Supervision and Alternatives to Incarceration (ATI)/Pre Trial Services. In addition, NYS provided funding for the Sex Offender Registration Act. A total of \$1,414,600.00 was claimed to date as follows:

### **New York State**

Program	Available Funds	Reported Funds*
State Aid- 18%	\$1,248,300.00	\$1,248,300.00
Intensive Supervision Program (ISP)	80,600.00	80,600.00
ATI / Pre-Trial	67,600.00	67,600.00
Sex Offender Registration Act	\$1,300 @ Offender \$300 @ polygraph	18,100.00
		<u>\$1,414,600.00</u>

\* Some receipts were not received at the time of the audit

### Findings

- State Aid Claim Forms:

Claimed expenses are reduced by receipts from other funding sources. When state aid was filed, the ATI reduction was reported as \$76,585.50 rather than the actual \$67,600.00. This \$8,985.50 error caused the request for state aid revenue to be

reduced. During the audit, Probation indicated a correction was going to be submitted.

- Prior year revenue was recorded in the financial records as 2007 receipts and in some cases revenue was credited to incorrect accounts.

#### Recommendations

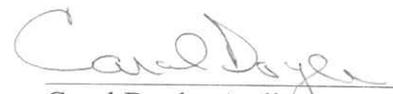
- The Probation Department should develop an oversight process of checks and balances to detect and correct errors before claims are submitted.
- The Probation Department should reconcile with the County financial records for correct reporting of revenue.

#### Federal

Funds received through Federal funding sources included the City of Poughkeepsie Integrated Municipal Police Anti-Crime Teams (IMPACT) program and the Department of Justice for Safety Vests. In 2007, the Probation Department received \$8,798.22 as follows:

<b>Federal</b>	
Program	Receipts
IMPACT 2006/2007	\$7,298.34
Safety Vests	<u>1,499.88</u>
Total Federal	\$8,798.22

  
Diane Jablonski, Comptroller

  
Carol Doyle, Auditor