

Dutchess County
Office of Probation and Community Corrections

January 1, 2009 – December 31, 2010

Dutchess County
Office of Probation and Community Corrections

Comptroller’s Summary..... 3
 Organization..... 3
 Audit Scope, Objective and Methodology..... 3
 Summary of Findings..... 3
Detailed Findings..... 3
 Departmental Revenues 4
 Local Revenue 5
 NYS and Federal Revenues 9
Addendum I 13

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

Audit Scope, Objective and Methodology

The audit was performed for the period January 1, 2009 – December 31, 2010. The total expenditures for the Probation Department were \$13,431,389.77 for 2009; and \$13,498,907.49 for 2010. The objective of the audit was to review and verify the following:

- The department's process for claiming and receipting revenue including management oversight
- NYS and Federal grant claims with supporting documentation including payroll reports, contracts and related expenses
- Selected Financial reports and posted revenues

Summary of Findings

As of May 2011, the Department recorded revenue collections of \$3,867,899.75 for 2009 and \$4,097,859.19 for 2010. The Department maintained supporting documentation of all revenue collections. Recommendations from the previous audits regarding written policies and procedures have been implemented in some areas of revenue claiming; however, oversight and follow-up for revenue collections should continue to be enhanced to ensure accurate claiming and maximization of revenues.

Detailed Findings

A sample of each revenue account was selected for testing. New York State revenue claims accrued for 2010 for ignition interlock devices were processed at the time of our audit due to the timing of the contract execution. DSS contract claim reimbursements for DSS Wrap Around and DSS Juvenile Pre-Trial funds were recorded in the incorrect revenue account. Addendum I shows the detailed departmental revenues reported for 2009 and 2010.

Departmental Revenues

Departmental revenues recorded were comprised of the following:

Revenue Source	A3140.	Description	2009 Reported YTD	2010 Reported YTD
Local	15150	ATI Bail Reimbursement	\$19,106.50	\$15,034.43
Local	15890	Other Safety:	\$2,086,222.29	\$2,350,356.73
	.00	Restitution & 5% Surcharge	\$9,355.46	\$13,372.94
	.02	DSS PINS Diversion	\$1,249,762.13	\$1,245,348.77
	.05	Adult Supervision	\$86,331.58	\$111,125.22
	.08	DSS Community Residence	\$161,602.97	\$171,296.92
	.11	DSS Wrap Around	(\$8,000.00 included in 15890.02)	(\$8,000.00 included in line # 15890.02)
	.12	DSS Juvenile Supervision	\$478,976.00	\$690,144.00
	.13	Stop DWI	\$100,194.15	\$119,068.88
	.17	DSS Juvenile Pre-Trial	\$0.00	(\$72,570.52 included in line #15890.02)
Local	26830	Self Insurance Recoveries	\$0.00	\$3,711.83
Local	26900	Other Comp for Loss	\$519.04	\$2,806.47
Local	27010	Refund of Prior Year	\$160,333.90	\$43,133.70
Local	27700	Unclassified	\$75.00	\$100.25
State	33100	Probation Services	\$1,260,583.02	\$1,285,387.18
State	33890	Other Public Safety:	\$336,765.32	\$396,380.99
	.02	ATI	\$114,511.06	\$40,299.45
	.07	J-Risk	\$199,271.26	\$272,893.36
	.09	Sex Offender Enhanced Supervision	\$22,983.00	\$66,447.82
	.10	Ignition Interlock Devices	\$0.00	\$16,740.36
Federal	43200	Crime Control:	\$4,294.68	\$947.61
	.01	Crime Control Bullet Proof Vest Program	\$4,294.68	\$947.61
		Totals	\$3,867,899.75	\$4,097,859.19

Local Revenue

ATI Bail Reimbursement (15150)

Pursuant to General Municipal Law, Article 5, Section 99-m, bail fees are charged and 'one per centum of the amount collected' and credited to the Probation Department's revenue to fund the alternatives to incarceration service plan. In addition, the Commissioner of Finance is entitled to a 'fee of two per centum of the amount of money collected' which is realized in Finance revenue account A1310.12300. The bail money is sent directly to the County's Finance Department from local courts. The County Finance Department records the monies received in the department's revenue account and issues receipts to the Probation Department for their records. A total of \$19,106.50 (212% of the total budgeted revenue) was realized by Probation in 2009; \$15,034.43 (167% of the total budgeted revenue) was realized by Probation in 2010.

Other Safety:

Restitution Fees (15890.00)

Pursuant to NYS Criminal Procedure Law, a 5% surcharge is to be collected on restitution payments. Payments are entered into the Probation Department's Caseload Explorer (CE) Financial Management system which was implemented in 2008. A total of \$9,355.46 (62% of the total budgeted revenue) was reported for surcharges in 2009; \$13,372.94 (89% of the total budgeted revenue) was reported for surcharges in 2010.

Adult Supervision Fees (15890.05)

Authorized by local law, the Probation Department collects an administrative fee known as a supervision fee of \$30.00/month from adult probationers. Payments are entered into the Probation Department's Caseload Explorer (CE) Financial Management computerized system. The collected payments are maintained in a separate bank account. Deposits were traced to the bank account and County's financial records.

A total of \$86,331.58 (69% of the total budgeted revenue) was realized for 2009, and \$111,125.22 (111% of the total budgeted revenue) was realized for 2010. The Department stated Probation Officers and Supervisors, as well as the management team have periodic discussions regarding fee collections. As a result revenues have increased.

Finding

In reviewing the collection procedures, it was noted quarterly reports were not printed to review open charges.

Recommendation

We recommended the quarterly review of open fees be printed and reviewed for collection efforts by management.

Department of Social Services Contract #08-0234 term 1/1/09-12/31/09 & 1/1/10-12/31/10

This revenue contract with Dutchess County Department of Social Services (DSS) was written in the amount of \$2,027,212.00 for 2009; and \$2,118,924.00 for 2010. A total of \$1,728,738.13 was claimed and received for 2009 and \$1,935,492.77 was claimed and received for 2010 from DSS.

This contract provided for the following:

DSS PINS Diversion (15890.02) & DSS Juvenile Supervision (15890.12) –Funding is received from DSS (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) – This DSS contract provides funds to be used to maintain youth in the family home and can support transportation, health, mental health, and client incentives.

DSS Juvenile Pre-Trial (15890.17) – This DSS contract provides 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.

Revenues should have been reported in four revenue accounts on the Dutchess County financial statements as follows:

Contract #08-0234	Revenue	Realized 2009	Realized 2010
DSS PINS Diversion	15890.02	\$1,249,762.13	\$1,245,348.77*
DSS Wrap Around	15890.11	\$0.00	\$0.00
DSS Juvenile Supervision	15890.12	\$478,976.00	\$690,144.00
DSS Juvenile Pre-Trial	15890.17	\$0.00	\$0.00
Totals		\$1,728,738.13	\$1,935,492.77

**Accrual adjustment of \$763.41 for 2009 was included in 2010 revenue.*

The Contract provided reimbursement for 2009 & 2010 for the PINS Diversion Program (15890.02) – as noted above the \$763.41 should have been included in the 2009 revenue and deducted from 2010 to balance with the following:

Probation	1/1-12/31/09	1/1-12/31/10
Expense Category	Expenditures	Expenditures
Travel/Meals	\$5,352.42	\$3,315.79
Training	\$104.00	\$374.40
Phones Data	\$7,739.71	\$5,702.39
Supplies: Drugs	\$1,948.38	\$1,024.01
Supplies: Office	\$2,191.24	\$1,638.00
Auto Center	\$7,299.38	\$9,737.99
Computer Data	\$232.81	\$30,303.00
Postage/Printing	<u>\$1,875.64</u>	<u>\$780.00</u>
Total OTPS	\$26,743.58	\$52,875.58
Juvenile Pretrial		
Curfew Monitoring		
Straight Time OT		\$35,505.62
Overtime		\$35,071.09
Education Supplies		\$951.35
Incentive Wrap Around		<u>\$1,042.46</u>
Total Curfew Monitoring		\$72,570.52
Salaries	\$700,773.30	\$652,501.15
Fringe 20%	\$140,154.66	\$130,500.23
Admin (.5)	\$48,112.00	\$49,341.00
Fringe 20%	\$9,622.00	\$9,544.00
Total Salaries	\$898,661.96	\$841,886.38
Mental Hygiene	\$103,044.00	\$103,044.00
Mediation	\$76,573.00	\$76,572.88
Astor	\$89,636.00	\$89,636.00
Wrap-A-Round	\$8,000.00	\$8,000.00
OCIS Costs Pro-Rated	<u>\$47,867.00</u>	<u>\$0.00</u>
Total	\$325,120.00	\$277,252.88
GRAND TOTALS	<u>\$1,250,525.54</u>	<u>\$1,244,585.36</u>

Findings

- A total of \$88,570.52 was posted in error to the DSS PINS Diversion (15890.02) revenue account instead of being posted as follows:
 - \$8,000.00 DSS Wrap Around (15890.11) funding budgeted, claimed and received for each year (2009 and 2010)
 - DSS Juvenile Pre-Trial (15890.17) \$100,000.00 budgeted funds for 2010; \$72,570.52 was claimed and received.

Recommendations

- Budgeted accounts should be utilized to account for revenue realized.
- Oversight and follow-up for revenue collections should be enhanced to ensure revenues are recorded appropriately.

DSS Community Residence-Transitional Housing (15890.08)

The Probation Department contracted with 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 from the Department of Social Services. *A formal contract between DSS and Probation was not in place.* The Probation Department submits a bill to DSS monthly. DSS determines eligibility and sends reimbursement to the Probation Department. Probation submits the checks received to the County's Finance Department to record the revenue. Sample checks for five months of 2009 and five months of 2010 from DSS (paid to Probation through DSS Warrants Indirect Checks) were traced to Probation records for billing, receipt of funds and follow up procedures. A total of \$161,602.97 (80% of the total budgeted revenue), 54% of the total amount billed, was received from DSS for 2009; and \$171,296.92 (85% of the total budgeted revenue), 50% of the total amount billed, was realized from DSS for 2010.

Findings

- The \$29 rate per day has not been updated since the inception of billing; this was discovered when we requested a contract agreement and rate methodology.
- Funds paid and dates of service recorded by DSS were traced and matched to the dates claimed and amounts recorded in Probation's spreadsheets. Billings reviewed provided accurate dates of entry and discharge.
- Probation keeps monthly spreadsheets for each year and a periodic review did not occur to ensure outstanding balances were collected.
 - One 2010 payment for \$1,508.00, from our DSS check sample, was not recorded as received by the Probation Department.

Note: At the time of our review, transitional housing open balances were resubmitted to DSS.

Recommendations

- The reimbursement rate of \$29 should be reviewed and updated to provide additional revenue for Probation.
- Operating procedures should be implemented to ensure open accounts receivable are followed up timely.
- Additional oversight to ensure all revenue is billed and received should be instituted.

Stop-DWI Contracts (15890.13)

Four revenue contracts were written for the period January 1, 2009 – December 31, 2010 with Stop-DWI funding as follows:

15890.13	Description	Contract Amount	Realized 2009	Realized 2010
09-0152	Provide Intensive Overtime Supervision & Drug testing of DWI probationers	\$18,750.00	\$16,914.15	
09-0153	ISP & Supervision of repeat DWI Offenders	\$82,000.00	\$82,000.00	
15890.13	\$160/DWI 8 phone lines installation reimbursement		\$1,280.00*	
10-0119	ISP & Supervision of repeat DWI Offenders	\$98,400.00		\$98,400.00
10-0120	Provide Intensive Overtime Supervision & Drug testing of DWI probationers	\$30,000.00		\$20,668.88
15890.13	Totals		\$100,194.15	\$119,068.88

**Verizon charged Probation \$160.00/line for the installation of new phone lines purchased for the automated phone center to help with their supervision of DWI offenders; Stop-DWI reimbursed Probation for the expense.*

NYS and Federal Revenues

New York State

New York State Division of Probation and Correctional Alternatives provided funding through five revenue contracts in 2009.

*In 2010, NYS provided funding through a Block Grant totaling \$1,625,970.00 (paid in 4 equal payments of \$406,492.50 each) for State Aid for Probation Services (33100), ISP (33100), JRISC (33890.07), and Sex Offender Enhanced Supervision (33890.09).

Note: New York State provided Probation with full disbursement disclosures for 2009 and 2010 for reconciliation.

NYS Contracts #09-0530 term 1/1/09-12/31/09 & #09-0543 term 1/1/09-12/31/09

Revenue	Description	2009 Realized	2010 Realized
33100	State Aid for Probation Services &	\$1,190,647.02	
33100	Intensive Supervision Program(ISP)	\$69,936.00	
33100	NYS 2010 Block Grant*		\$1,285,387.18*
33100	Totals	\$1,260,583.02	\$1,285,387.18

NYS Contract #09-0530 provided a maximum reimbursement of \$69,936.00 in state aid for Intensive Supervision Program (ISP) salaries and fringe benefits, to enhance public protection while limiting the unnecessary incarceration of certain offenders who are at high risk of re-offending. The 2009 contract was fully claimed and paid.

NYS Contract #09-0543 provided a maximum consideration of \$1,201,064.00 for ‘State Aid for Probation Services’ for 2009 eligible expenses including: salaries, fringe, travel, training, maintenance of vehicles, electronic monitoring, computer equipment and interpreter services at the reimbursement rate of 16%. A total of \$1,244,708.26 was claimed and \$1,190,647.02 was paid for 2009.

A total of \$1,285,387.18 was received through NYS Block Grant funding for ‘State Aid for Probation Services’ and the Intensive Supervision Program for 2010.

Findings

- NYS revenue claims for 2009 State Aid for Probation Services (33100) contained calculation errors, which NYS adjusted as follows:
 - An underclaim of fringe in the 1st quarter claim resulted in a \$15,685.18 increase to the reimbursement
 - An overclaim in the 2nd quarter resulted from previous expenses being claimed twice; the amount received from NYS was reduced by \$69,018.94
 - NYS reduced the 3rd quarter reimbursement by \$28.90
 - A \$698.58 reduction was noted for the 4th quarter

Recommendation

- Management should institute additional procedures for the review of claims.

Other Public Safety:

NYS Contract #04-0847 term 1/1/09-12/31/09 & 1/1/10-12/31/10

Revenue	Description	2009 Realized	2010 Realized
33890.02	Alternatives to Incarceration (ATI)- Provides Pre-Trial Services & Intensive Treatment Program	<u>\$114,511.06</u>	<u>\$40,299.45</u>
33890.02	Totals	<u>\$114,511.06</u>	<u>\$40,299.45</u>

NYS Contract #04-0847 provided for performance milestones and cost reimbursement at the rate of 24% for 2009 and 21% for 2010. A total of \$72,315.11 was claimed and \$58,468.00 was reimbursed for 2009; \$54,146.56 was claimed and \$52,238.56 was received for 2010.

Findings

- NYS revenue claims for 2009 ATI (33890.02) were claimed by Probation at the rate of 100% of the total qualified expenses instead of 24% of the total qualified expenses as per the NYS contract. NYS adjusted the claims as follows:
 - ATI (33890.02) 2009 2nd quarter claim was reduced due to an overclaim of \$13,847.11; the billing adjustment was completed by Finance in 2010 which reduced 2010 realized revenue.

- o An ATI (33890.02) 2008 contract balance for \$42,195.95 was claimed and realized in the 2009 revenue account 33890.02 ATI.

Note: At the time of our review, there were two 2010 open accruals for ATI (33890.02). According to the contract, the NYS ATI reimbursement rate was 21% for 2010; however, Probation submitted the claims at the 2009 rate of 24% resulting in a \$457.95 open accrual balance for the first quarter and a \$1,450.05 open accrual balance for the third quarter totaling \$1,908.00. Finance adjusted these accruals in Probation's 2011 revenue as a result of this audit.

NYS Contract 08-0228 term 1/1/09-12/31/09

Revenue	Description	2009 Realized	2010 Realized
33890.07	J-Risk- Provides for Juvenile Risk Prevention Services	\$199,271.26	
33890.07	NYS 2010 Block Grant*		\$272,893.36*
33890.07	Totals	\$199,271.26	\$272,893.36

NYS contract #08-0228 provided for Juvenile Risk Intervention Services Coordination (JRISC) to reduce the future risk of reoffending. Total funding of \$202,240.00 was available for 2009 for performance milestones and cost reimbursement; a total of \$199,271.26 was claimed and \$191,923.62 was received for 2009. A total of \$280,241.00 was received through Block Grant funding for 2010.

Findings

- NYS revenue claims for 2009 J-Risk (33890.07) were claimed at the rate of 100% of the total qualified expenses instead of 93% of the total qualified expenses as per the NYS contract; NYS adjusted the claims as follows:
 - o JRISC 2009 2nd quarter claim was reduced by \$3,660.85; the billing adjustment was completed by Finance in 2010 reducing 2010 realized revenue.
 - o JRISC 2009 4th quarter claim was reduced by \$3,686.79; the billing adjustment was completed by Finance in 2010 reducing 2010 realized revenue.
 - o JRISC 2009 3rd quarter 2009 claim was increased by \$180.66.

NYS Contract #09-0492 term 4/1/09-3/31/10

Revenue	Description	2009 Realized	2010 Realized
33890.09	Sex Offender Enhanced Supervision	\$22,983.00	
33890.09	NYS 2010 Block Grant*		\$66,447.82*
33890.09	Totals	\$22,983.00	\$66,447.82

NYS Contract #09-0492 provided \$43,548.00 in funding for enhanced supervision of sex offenders. A total of \$23,283.00 was claimed and paid for 2009. A total of \$6,104.00 was claimed and received for the first quarter of 2010 for the balance of contract #09-0492; in addition, a total of \$60,343.82 was received through Block Grant funding for 2010.

Findings

- County financial records for NYS revenue contained the following:
 - 2008 claim reduction for \$300.00 was recorded in 2009 in account 33890.09 Sex Offender Enhanced Supervision; thus reducing 2009 realized revenue.

NYS Contract #10-0528 term 10/1/10-9/30/11

Revenue	Description	2009 Realized	2010 Realized
33890.10	Ignition Interlock Devices	\$0.00	\$16,740.36

NYS Contract #10-0528 was signed in 2011 to provide \$74,070.00 funding for Ignition Interlock Devices and the claim for reimbursement was submitted to NYS during our review. These devices are court ordered for clients to pay for installation. Probation receives \$114.66 for each conviction. An accrual of \$16,740.36 for 146 convictions was in Probation's 2010 revenues in anticipation of the execution of this contract. The total amount was received from the NYS Division of Criminal Justice Services June 3, 2011.

Recommendations

- The Probation Department should develop an oversight process to review contract requirements and detect and correct errors before claims are submitted.
- The Probation Department should reconcile with the County financial records.

Federal

Federal funding was received from the Department of Justice for Safety Vests. *There is no contract for purchasing the vests.* Probation completes an on line application; the available funds are then divided between the agencies that apply. The Probation Department received \$4,294.68 in 2009 and \$947.61 in 2010.

Addendum I

<u>REVENUES</u>	<u>DEPARTMENTAL REVENUES</u>	Contract #s	2009 Reported YTD	2010 Reported YTD
15150	ATI Bail Reimbursement-Pursuant to General Municipal Law, bail fees are charged and credited to Probation revenue for the use of alternatives to incarceration service plans		\$19,106.50	\$15,034.43
15890	Other Safety:			
15890.00	Pursuant to NYS Criminal Procedure Law Restitution & 5% Surcharge collected on Restitution payments. Bank account is maintained for the restitution payment and for the fees collected.		\$9,355.46	\$13,372.94
15890.02	DSS PINS Diversion – Provides for Probation to conduct coordinated services for youth referred for possible PINS and Juvenile Delinquent petition to family court; youth must be at risk for placement outside the home and outside the family.	08-0234-12/08 SS A2,A3	\$1,249,762.13	\$1,245,348.77
15890.05	Adult Supervision –Authorized by local law, Probation collects an administrative fee of \$30/mo for adult probationers.		\$86,331.58	\$111,125.22
15890.08	DSS Community Residence –Transitional Housing for referred persons released from jail. Probation receives \$29/day for eligible DSS persons in transitional housing program.		\$161,602.97	\$171,296.92
15890.11	DSS Wrap Around –Funds used to maintain youth in the family home and can support transportation, health, mental health, and client incentives.	08-0234-12/08 SS A2,A3	(\$8,000.00incl . 15890 .02)	(\$8,000.00 incl.15890.02)
15890.12	DSS Juvenile Supervision – Provides for Probation to conduct coordinated services for youth referred for possible PINS and Juvenile Delinquent petition to family court; youth must be at risk for placement outside the home and outside the family	08-0234-12/08 SS A2,A3	\$478,976.00	\$690,144.00
15890.13	Stop DWI – Provides for Intensive Supervision overtime salaries and reimbursement for alcohol and drug testing supplies.	09-0152-12/09 MS, 09-0153-12/09 MS, 10-0119- 12/10 MS, 10- 0120-12/10 MS	\$100,194.15	\$119,068.88
15890.17	DSS Juvenile Pre-Trial- Provides curfew monitoring meetings with individual youth to monitor progress towards personal goals, to discuss personal issues, and track attendance at other relevant services.	08-0234-12/08 SS A2,A3	\$0.00	(\$72,570.52 incl.15890 .02)
33100	Probation Services & ISP – To enhance public protection through Intensive Supervision and services while limiting the unnecessary incarceration of certain offenders who are at high risk of reoffending and reimbursement of eligible expenses at a rate of 16%.	09-0530-12/09 PR & 09-0543- 12/09 PR Block Grant 2010	\$1,260,583.02	\$1,285,387.18
33890	Other Public Safety:			
33890.02	ATI –Provides pre-trial services and intensive treatment alternative program.	NYS 04-0847- 12/04 PR A5 & A6 1/1/09- 12/31/10	\$114,511.06	\$40,299.45
33890.07	J-Risk –Provides for Juvenile Risk Intervention Services Coordination (JRISC) services to reduce the risk of reoffending.	NYS 08-0228- 12/12 PR 1/1/08-12/31/12 Block Grant 2010	\$199,271.26	\$272,893.36
33890.09	Sex Offender Enhanced Supervision –Provides enhanced supervision of sex offenders.	NYS 09-0492- 3/10 PR 4/1/09-3/31/10 Block Grant 2010	\$22,983.00	\$66,447.82
33890.10	Ignition Interlock Devices -amount based on number of people convicted.	NYS10-0528 9/11 PR10/1/10- 9/30/11	\$0.00	\$16,740.36
43200	Crime Control:			
43200.01	Crime Control Bullet Proof Vest Program		\$4,294.68	\$947.61