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Performance Audit Report

**OFFENDER
SUPERVISION FEE
PROGRAM**

As of June 30, 2020

**Office of the Controller
County of Northampton
Pennsylvania**



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January 3, 2022

Northampton County Commissioners
Lamont G. McClure, Jr., County Executive
County of Northampton, Pennsylvania

We have completed an audit of the Offender Supervision Fee Program for the fiscal year ending June 30, 2020.

The Executive Summary on page 1 summarizes the audit results, while the Audit Results section provides a detailed explanation.

We acknowledge the cooperation and assistance we received from the Adult Probation and Clerk of Courts – Criminal offices. Their help was essential to the performance of this audit.

Management did not request an exit conference to discuss the draft audit report however their response is included in the Audit Results section of the report.

Very truly yours,

Richard J. Szulborski
County Controller

Kathy M. Nesfeder, CRMA, CFE
Auditor II

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EXECUTIVE SUMMARY

The County's Offender Supervision Fee Program (Program) is working as intended and is in compliance with statutes, court orders, policies and procedures. Internal controls are good and working as intended, specifically regarding entering fees into the Common Pleas Case Management System (CPCMS), handling cash receipts and disbursements, and processing paperwork sent from Adult Probation for parole and Accelerated Rehabilitative Disposition (ARD) cases, and cases transferred into and out of the County.

During the twelve months ending June 30, 2020, supervision fee revenue for the County totaled \$577,562. This revenue was used to offset salaries and benefits in the Adult Probation and Driving Under the Influence (DUI) Divisions.

INTRODUCTION

The Pennsylvania legislature through Act 35 of 1991 established the County Offender Supervision Fund. Title 18 P.S. § 11.1102 requires the court to impose as a condition of supervision a monthly supervision fee of at least \$25 on any offender placed on probation, parole, ARD, probation without verdict or intermediate punishment unless the court finds that the fee should be reduced, waived or deferred based on the offender's present inability to pay. The Court of Common Pleas of Northampton County increased that fee to \$30 per month effective March 1, 2006.

Title 37, Chapter 68 of the PA Code further defines the administration of the program, the collection of supervision fees, the disbursement of the funds and the use of those funds. It also stipulates that an audit must be conducted at least annually to determine the county's compliance to statutes, court orders, policies and procedures.

In Northampton County, the Chief Adult Probation Officer administers this program. She oversees both the Adult Probation and the DUI Divisions. Officers in those divisions supervise the offenders who are placed on probation or parole, and they complete the paperwork for offenders who move into or out of Northampton County while they are under supervision. When offenders move into or out of the County, responsibility for their supervision changes and the corresponding supervision fees also transfer between counties. Revenue earned by this program may be used to pay the salaries and employee benefits of personnel employed by these two divisions, and other operational expenses.

The Court of Common Pleas designated the Clerk of Courts Office – Criminal Division to collect and disburse supervision fees. Clerks must calculate the supervision fees based upon the court sentence and then enter those fees into CPCMS. The Criminal Division receives and processes all payments, then disburses the supervision fees at the end of each month. The Adult Probation and DUI Divisions receive half of those funds, with the State receiving the other half. Approximately six months later, the State returns those funds to the County as revenue to both Adult Probation and DUI. The clerks also adjust CPCMS based on paperwork received from probation officers when offenders are placed on parole, ARD, or move into or out of Northampton County.

PURPOSE AND SCOPE

This program is audited annually in compliance with Pa Title 37, § 68.54.

The purpose of the audit was to:

- Determine compliance with statutes, court orders, and policies and procedures.
- Determine the adequacy of internal controls.
- Determine the reasonableness of supervision fee revenue.

The following components of internal control were considered significant to the audit objectives, and were therefore assessed, and as appropriate based on risk, tested:

- The calculation and posting of supervision fees to CPCMS from sentencing sheets.
- The recording and distribution of payments made by defendants.
- The posting of adjustments to supervision fees in CPCMS based on paperwork originating in Adult Probation.

Our scope included program activity occurring from July 1, 2019 through June 30, 2020.

METHODOLOGY

Our methodology included:

- Reviewing the prior year audit report and audit finding.
- Interviewing management to gain an understanding of the processes and document controls.
- Speaking with management to learn their perceived risks and performance measures.
- Reviewing policies and procedures, laws and regulations.
- Performing an analytical review of revenue.
- Testing a sample of cases from the Criminal Division to verify that supervision fees were posted correctly to CPCMS.
- Testing a sample of paperwork sent from Adult Probation to the Criminal Division for parole and ARD cases, and cases transferred into or out of the County, to verify that adjustments were properly posted to CPCMS.

Our review included an assessment of internal controls in the audited areas. Any significant findings related to internal controls are included in the Audit Results section of the report.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS

Section A – Internal Controls

1. Offender Supervision Fees

OBSERVATION

We tested 25 cases and two of the Courtesy in County (term used to describe cases transferred to or from Northampton County) supervision fees were never applied to the case because Criminal never received the paperwork from the Probation Department. If paperwork is not received, fees are not entered into the CPCMS system, resulting in a loss of revenue to the County.

RECOMMENDATION

Probation Officers should periodically check the CPCMS system and review that a defendant's supervision fees especially for Courtesy in County cases are entered in the system. It is understandable that they do not have the time to check every case but diligence should be given to cases transferring in and out of the County.

MANAGEMENT RESPONSE – Marie Bartosh, Chief Adult Probation Officer

We accept the report and will continue to make efforts to assure that accounts are created and updated as needed. We appreciate the review and your guidance during this process.

ISSUES RESOLVED DURING FIELDWORK

During our analysis of supervision fees, we determined that the Accountant posted the monies for October 2019 and April 2020 supervision fees to the correct Org but the wrong object code. No further action was taken because the books were closed and the monies ultimately were applied to the proper department.