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Performance Audit Report

**OFFENDER
SUPERVISION FEE
PROGRAM**

As of June 30, 2019

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



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November 5, 2020

Members of the Northampton County Council
Lamont G. McClure, Jr., County Executive
Honorable Michael J. Koury, President Judge
County of Northampton, Pennsylvania

We have completed an audit of the Offender Supervision Fee Program for the fiscal year ended June 30, 2019.

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,

Tony E. Bassil
County Controller

Paul L. Albert, CIA
Lead Auditor

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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, 2019, supervision fee revenue for the County totaled \$601,680. This revenue was used to offset salaries and benefits in the Adult Probation and Driving Under the Influence (DUI) Divisions.

The one area that should be addressed is the section of the Adult Probation Procedures Manual dealing with offender supervision fees. That section contains outdated information and is missing updated procedures that were agreed to in prior audits.

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. A few 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 who 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 reported to the State.

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, 2018 through June 30, 2019.

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 reported to the State.
- 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 – Policies and Procedures

1. Updating of Adult Probation Procedures Manual

OBSERVATION

The Adult Probation Procedures Manual has a section on supervision fees that has not been updated in a good many years. The references to ONESolution revenue codes are outdated, procedures that were to be incorporated into the manual in 2013 were never included and some issues found in this audit should be documented such as:

- Having probation officers initial and date any handwritten changes made to official court documents, and
- Not including supervision fees on Petition for Parole forms sent to the Criminal Division when the Judge already waived costs at sentencing.

When procedures are not current and updates are not maintained, their effectiveness as a guide to probation officers is diminished. Intended changes to the manual may be forgotten if they are not documented in a timely manner.

RECOMMENDATION

Although updating an office manual is often not seen as a priority, the Procedures Manual should be reviewed and updated periodically, so employees know how to perform specific functions and know what's expected of them.

MANAGEMENT RESPONSE

Marie D. Bartosh, Chief Adult Probation Officer

In response to the recent supervision fee audit, I would note that the policy manual should and will be updated including removing aspects of the financial reimbursement accounting processes that are no longer completed manually. As the State utilizes electronic transfer of funds, and the director of probation is no longer in receipt of the deposit documents, the process is not within our procedural jurisdiction.

Also noted, the parole plans that are completed are done so based on sentences and time calculation as completed by Northampton County Prison. The modification to supervision fee is completed by supervising officers, not the institutional probation officer. I will meet with Leigh Ann Fisher, the Criminal

Clerk, to determine if this is problematic and determine an appropriate change to policy if needed.

I will lastly note that our standard process has remained constant and is in compliance with procedures that are reviewed by the PBPP yearly. It is however noted that some of our process may change in the near future as funding procedures from the State are being modified. Our manual will reflect those changes as we are made aware of the new expectations.