

**STATE OF FLORIDA  
DEPARTMENT OF CORRECTIONS  
OFFICE OF THE INSPECTOR GENERAL**

**TO:** Walter A. McNeil  
Secretary

**FROM:** Gene Hatcher  
Inspector General

**DATE:** October 6, 2010

**SUBJECT:** FOLLOW-UP AUDIT REPORT # A11003F – THE OFFICE OF THE AUDITOR  
GENERAL'S, DEPARTMENT OF CORRECTIONS COURT-ORDERED  
PAYMENTS OPERATIONAL AUDIT, REPORT NUMBER 2010-147

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The Bureau of Internal Audit performed a follow-up audit to the Office of the Auditor General's Department of Corrections, Court-Ordered Payments, Operational Audit, Report # 2010-147, issued in March 2010. The objectives of this follow-up were to determine the corrective actions taken on reported audit findings and whether actions taken achieved the desired results as intended by management. The scope of our follow-up consisted of obtaining from the Office of Community Corrections a written response of actions taken to correct reported findings. The follow-up response was then evaluated to determine if management's actions were adequate and timely. We have evaluated the response to each finding and have assessed that appropriate action has been taken or is being taken to address the issues identified in the report. However, further follow-up is necessary for Finding 1 to ensure resolution of the undisbursed COPS funds identified in the report.

  
Inspector General

GH/PS/jc  
Attachment

Richard D. Davison, Deputy Secretary  
Bonnie Rogers, Chief of Staff  
Jenny Nimer, Assistant Secretary of Community Corrections  
Kathy DuBose, Director of Joint Legislative Auditing Committee

## FLORIDA DEPARTMENT OF CORRECTIONS

*Follow-up of Auditor General's Report #2010-147**Department of Corrections**Court-Ordered Payments Operational Audit**Gene Hatcher, Inspector General**Report #A11003F**Paul R. Strickland, Chief Internal Auditor**October 6, 2010***BACKGROUND**

The Florida Department of Corrections operates under the provisions of Section 20.315 and Chapters 944, 945, 946, 948, and 958, Florida Statutes. The purpose of the Department is to protect the public through the incarceration and supervision of offenders and to rehabilitate offenders through the application of work, programs, and services. The Department's mission is to protect the public safety, ensure the safety of Department personnel, and provide proper care and supervision of all offenders under its jurisdiction while assisting, as appropriate, their re-entry into society.

In addition to supervising the State's prison inmate population, the Department, as of June 2009, supervised over 158,000 offenders who had been placed under community supervision. To administer community supervision, the Department divides the State into four regions, each supported by a Regional Office. The Community Corrections Central Office, located in Tallahassee, provides support, direction, and operational oversight to all Regional Offices and field staff. The four regions are assigned particular judicial circuits and each region operates a number of Probation and Parole Field Service Offices that provide offenders with access for reporting to meeting with their assigned officers. As of June 2009, the Department operated 150 such Offices.

In March 2010, the Office of the Auditor General published a report, Department of Corrections Court-Ordered Payments, Operational Audit, Report # 2010-147.

**OBJECTIVES**

Our follow-up objectives were to determine:

- what corrective actions were taken on reported audit findings, and
- whether actions taken achieved the desired results as intended by management.

**SCOPE AND METHODOLOGY**

A request was made to the Office of Community Corrections for a written response on the status of corrective actions taken.

## RESULTS OF FOLLOW-UP

**Finding No. 1: The Department did not ensure that the amounts collected were timely disbursed to appropriate payees (e.g., victims, courts, State agencies) or when applicable, the General Revenue Fund.**

**Recommendation:** To ensure that funds are timely disbursed to appropriate payees (e.g., victims, courts, State agencies) or transferred to the General Revenue Fund when appropriate, we recommend that the Department enhance procedures to ensure that there is sufficient and timely monitoring and follow up on undisbursed payments. In addition, we recommend that the Department analyze existing undisbursed payments to identify offender funds that were not claimed within one year after supervision was terminated, victim restitution payments that were not claimed within one year after the offender's supervision was terminated, and payments that were not identified and claimed within one year after they were received. Amounts so identified should be considered for deposit or transfer to the General Revenue as provided by law.

**Management's Original Response:** *To ensure that amounts collected are timely disbursed to appropriate payees (e.g., victims, courts, State agencies) and General Revenue unallocated, the Department has enhanced the Offender Based Information System (OBIS) to further automate simplify COPS data entry to reduce exceptions and errors made in establishing payee accounts and payment disbursement. Additionally, reports have been developed to assist DC personnel in monitoring and following up on any undisbursed payments. Lastly, the Department is strengthening its training on COPS and OBIS including processes used to reduce the occurrence of exceptions.*

*We agree that during the time of the audit period the department was not analyzing undisbursed payments as frequently as we should based on competing workload demands; however, that process has changed and undisbursed payments are distributed to the Regions monthly with the expectation to place a focused effort on resolving the undisbursed funds. A new Court Ordered Payment System (COPS) management report was developed and implemented for each circuit to work exceptions weekly, including the account status and exception reason. Central Office also provides a weekly statewide COPS Undisbursed Funds Exception Summary via email to the Regional Directors and COPS Accounting to track progress made. Field staffs and COPS Accounting staffs actions in working exceptions have reduced the undisbursed funds reported by 37.41%.*

**Management's Follow-Up Response:** *Since June 2009, the Department has been actively working on resolving undisbursed funds. Field staff and COPS Accounting staff have reduced the undisbursed funds by 54.65% since June 18, 2009. Staff is continuing to work to resolve the remaining undisbursed funds, which totaled \$4,609,638.29 as of September 10, 2010. Under the authority given by FS 945.31, the Department has also moved \$1,612,536 of unclaimed COPS funds to general revenue unallocated since June 2009. In addition, COPS training is being conducted statewide which includes processes used to reduce the occurrence of exceptions including undisbursed funds. This training began in February 2010 and will conclude in September 2010.*

**Finding No. 2: The Department had not adopted written procedures that described the circumstances under which administrative processing fees, used to offset the costs of collecting and distributing restitution and other court-ordered payments, were not to be collected.**

**Recommendation:** The Department should develop specific written policies and procedures that describe the circumstances under which the administrative processing fee should not be collected.

**Management's Original Response:** *Concur. General Practices Section I. F. in the COPS operational manual, provides Community Corrections' procedures regarding the surcharge, which is established automatically by the COPS system for each offender account and only manually changed when the court orders the surcharge to be waived. The Department will ensure Community Corrections and Institutional staff are following the same procedures regarding surcharge by including surcharge as a training topic during future COPS training sessions.*

**Management's Follow-Up Response:** *The COPS training provided to Community Corrections staff included a section reminding them to review inmate accounts when opened to ensure that the surcharge account was being activated.*

**Finding No. 3: The Department did not always ensure that address and database changes were appropriately reviewed, approved, and supported.**

**Recommendation:** We recommend that the Department ensure that address and other COPS database changes are afforded appropriate management oversight and that established policies and procedures regarding the review and approval of these changes are followed.

**Management's Original Response:** *Concur. The volume of COPS accounts and daily maintenance required to ensure efficient and timely collections, processing, and disbursement of funds is becoming increasingly difficult to manage. In fiscal year 08/09 alone there were over two million changes to existing COPS accounts entered in the system. Each of these changes to existing accounts require supervisory review and approval and officer review of data entry. The Department will review it(s) processes and procedures to ensure the required documentation supporting the need for a change to an account are being approved, printed and maintained in the offender file.*

**Management's Follow-Up Response:** *Examples of documentation supporting the need for an address change vary including a scanned copy of an envelope with a forwarding address, a scanned copy of an envelope where it's returned undeliverable or case notes confirming an address change with a victim. Processes are in place to investigate and approve address changes for COPS accounts. On August 2, 2010, a new default comment code 'COP' was implemented for staff to use to document actions taken on COPS accounts in case notes.*

**Finding No. 4: The Department had not adopted procedures that facilitated the detection of unauthorized payee record changes.**

**Recommendation:** We recommend that the Department modify COPS to provide edit reports that show all changes made to payee information. Additionally, in an effort to identify unauthorized changes, Department procedures should designate responsibility for timely reconciling the edit reports to change forms.

**Management's Original Response:** *Partially concur. The COPS Operational Manual requires supervisors to review and approve edits to accounts including address changes.*

**Management's Follow-Up Response:** *The COPS Operational Manual already requires supervisors to review and approve edits to accounts including address changes. Due to the current volume of supervisory workload, no changes have been made to this process to require implementation of edit reports.*

**Finding No. 5: The Department did not always ensure that offender financial obligation agreements were timely completed and signed by offenders.**

**Recommendation:** *The Department should strengthen management oversight to better ensure staff compliance with established procedures requiring that OFOAs (Offender Financial Obligation Agreements) be completed and signed by the offenders within 30 days of intake.*

**Management's Original Response:** *Partially concur. Most OFOAs are signed within the 30 day requirement. However, often delays occur outside the control of the department, including delays in receiving court orders and victim restitution information.*

*The COPS Manual section regarding OFOAs will be revised to address changes in the OFOA process and pending OBIS changes, including exceptions to the 30 day requirement, including additional time for staff to receive restitution information from the state attorney (if not determined at time of sentence) and to allow for offenders who are in jail when sentenced to report probation upon release. The manual will also be revised to require the offender to sign only one OFOA at the beginning of supervision.*

**Management's Follow-Up Response:** *On March 9, 2010, the Offender Financial Obligation Agreement (OFOA) form and process was revised to require the offender to sign this form one time during the period of supervision when the offender is initially instructed on his/her monetary obligations. The new OFOA form now states the following:*

*“I understand I have been ordered by the sentencing or releasing authority to fulfill these financial obligation(s) prior to my scheduled supervision termination date(s). I acknowledge receipt of a copy of this offender financial obligation agreement (OFOA) and understand failure to pay could result in violation of supervision. \*This monthly payment amount may increase or decrease depending on whether payments are made as scheduled during the entire supervision period.”*

*The “Offender Orientation” Procedure 302.301 and the COPS Manual have been updated to include this revision to the OFOA process.*

*In addition, effective August 31, 2010, OBIS programming was updated to auto-recalculate monthly payments each month without the officer having to manually recalculate.*