

**Board of Probation and Parole  
June 2001**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**

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John G. Morgan  
Comptroller

June 30, 2001

The Honorable John S. Wilder  
Speaker of the Senate  
The Honorable Jimmy Naifeh  
Speaker of the House of Representatives  
The Honorable Thelma M. Harper, Chair  
Senate Committee on Government Operations  
The Honorable Mike Kernell, Chair  
House Committee on Government Operations  
and  
Members of the General Assembly  
State Capitol  
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is the performance audit of the Board of Probation and Parole. This audit was conducted pursuant to the requirements of Section 4-29-111, *Tennessee Code Annotated*, the Tennessee Governmental Entity Review Law.

This report is intended to aid the Joint Government Operations Committee in its review to determine whether the board should be continued, restructured, or terminated.

Sincerely,

John G. Morgan  
Comptroller of the Treasury

JGM/dww  
00-085

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Performance Audit  
**Board of Probation and Parole**  
June 2001

## AUDIT OBJECTIVES

The objectives of the audit were to review to board's legislative mandate and the extent to which it has carried out that mandate efficiently and effectively and to make recommendations that might result in more efficient and effective operation of the board.

## FINDINGS

### **The Board Collected Only 53% of Probation Fees and Only 42% of Parolee Fees Because of Data System Inadequacies and Because Officers Did Not Enforce Requirements**

Any person placed on probation or parole is required to pay a \$15 per month supervision fee and \$30 per month to the criminal injuries compensation fund, unless exempted. The supervision fee is to be used to improve the supervision of offenders. The payment collection system and offender database have weaknesses that cause offender records to be unreliable. Also, probation and parole officers may not be taking the necessary steps to enforce collection (page 7).

### **Field Officers Are Not Performing Required Supervisory Activities According to Standards**

Standards for field supervision specify the type and frequency of contacts that must

occur between the probation and parole officer and the offender. Officers did not always make face-to-face contacts, home visits, and arrest record checks, or conduct drug tests and risk assessments required by the standards. Adequate supervision increases the likelihood that the offenders will not violate the law or the terms of their probation or parole (page 10).

### **Only 13 of 20 Community Corrections Grantees Were Reviewed During Fiscal Year 2000**

State law requires the board to "conduct an annual program evaluation of all programs once per year or as often as needed to ensure program accountability." Seven moderate- or low-risk programs were not reviewed. Without evaluations, the board cannot ensure compliance with standards of supervision, service delivery levels, and expenditure guidelines (page 14).

**Some Community Corrections Program Providers Did Not Submit Required Reports**

Quarterly and monthly reports were not always submitted by community corrections programs. In addition, five of the annual reports were late. These reports provide statistical, program, and financial data to the board (page 15).

**Not All Community Corrections Program Grantees Submitted Audited Financial Statements for Fiscal Year 1999**

Three community corrections programs apparently did not submit the required audited financial statements to the board (page 16).

**Some Board of Probation and Parole Staff Did Not Receive Required Training**

Thirty percent of the board staff sampled did not receive the required 40 hours (for specialized staff) or 16 hours (for support staff) of training. Failure to meet the training requirements may affect employees' job performance and violates the board's policy concerning professional development (page 17).

**Public Officials Were Not Notified of Parole Hearing Results Within the Statutory Time Frame**

The board is required to send notice of parole hearing results to certain public officials involved in the parolee's criminal case. In 75% (17 of 23) of the cases selected, these officials were not notified within the 30-day requirement because information was sent quarterly (page 18).

**OBSERVATIONS AND COMMENTS**

The audit also discusses the following issues: board efforts to reduce absconders and improvements needed to community corrections contracts (page 6).

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"Audit Highlights" is a summary of the audit report. To obtain the complete audit report, which contains all findings, recommendations, and management comments, please contact

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# Performance Audit Board of Probation and Parole

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# **Performance Audit Board of Probation and Parole**

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## **INTRODUCTION**

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### **PURPOSE AND AUTHORITY FOR THE AUDIT**

This performance audit of the Tennessee Board of Probation and Parole was conducted pursuant to the Tennessee Governmental Entity Review Law, *Tennessee Code Annotated*, Title 4, Chapter 29. Under Section 4-29-222, the board is scheduled to terminate June 30, 2001. As provided for in Section 4-29-115, however, the board will continue through 2002. The Comptroller of the Treasury is authorized under Section 4-29-111 to conduct a limited program review audit of the board and to report to the Joint Government Operations Committee of the General Assembly. The performance audit is intended to aid the committee in determining whether the board should be continued, restructured, or terminated.

### **OBJECTIVES OF THE AUDIT**

The objectives of the audit were

1. to determine the authority and responsibility mandated to the board by the General Assembly;
2. to determine the extent to which the board has met the legislative mandate;
3. to evaluate the efficiency and effectiveness of the board; and
4. to recommend possible alternatives for legislative or administrative action that may result in more efficient and effective operation of the board.

### **SCOPE AND METHODOLOGY OF THE AUDIT**

The audit reviewed the activities of the board from July 1999 through October 2000. The audit was conducted in accordance with generally accepted government auditing standards. The methods used included

1. review of applicable legislation, board policies and procedures, and board meeting minutes;
2. attendance at relevant legislative and board administrative meetings;

3. interviews with the board chairman, executive director, central office staff, and field officers;
4. examination of the board's records, files, and reports; and
5. visits to probation and parole field offices and observation of parole hearings.

## **ORGANIZATION AND STATUTORY DUTIES**

The Board of Probation and Parole is an independent state commission composed of seven full-time board members appointed by the Governor. The board is charged with the responsibility for deciding which felony offenders will be granted parole and released from incarceration to community-based supervision. Along with the supervision of those granted parole, the board is also responsible for supervising felony offenders who are placed on probation by criminal courts. To manage the board and assist in carrying out board responsibilities, the board staff of 940 is divided into nine operating divisions:

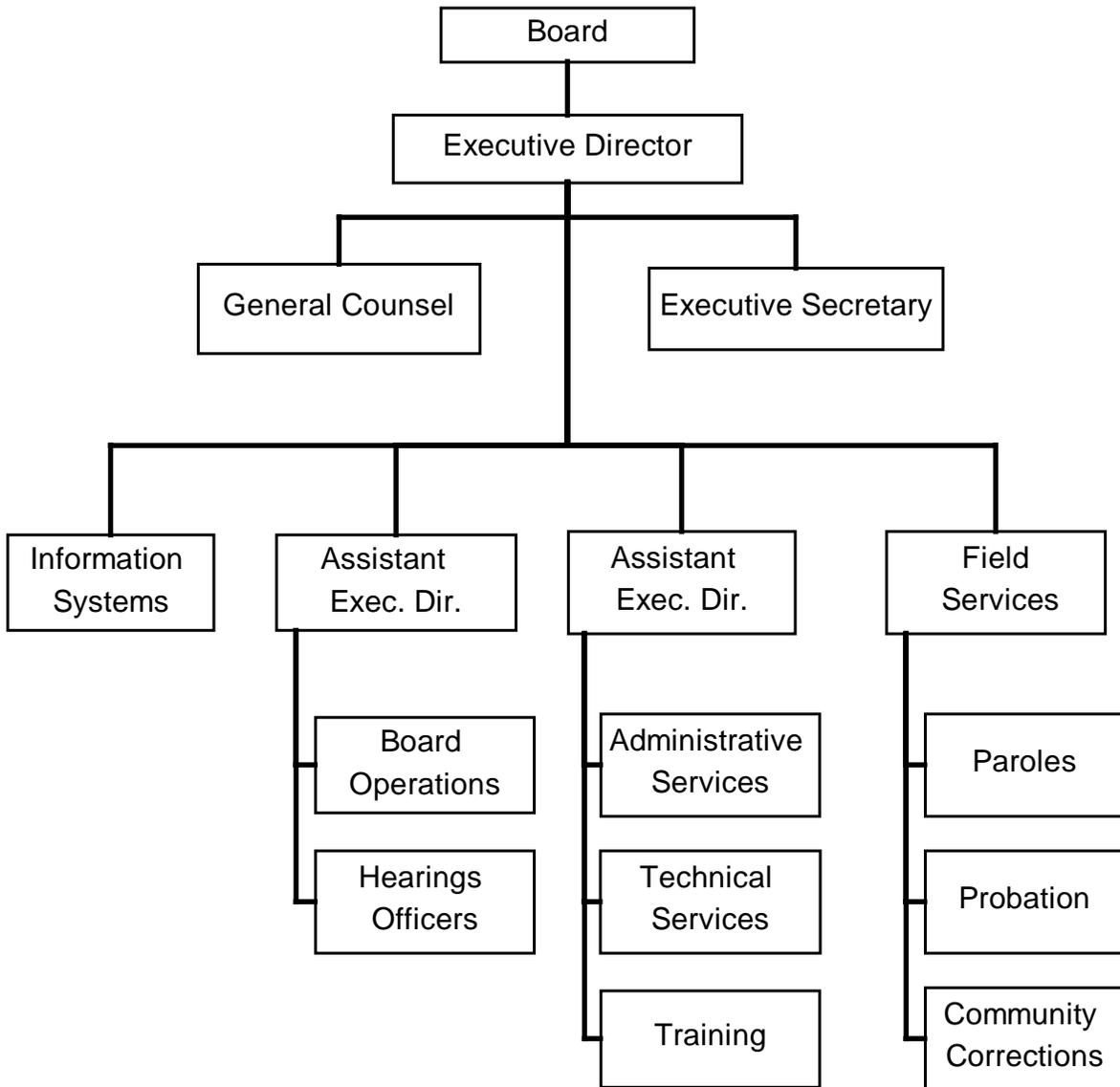
1. Board Members, Executive Director, and their support staff
2. Hearing Officers
3. Board Operations
4. Field Services
5. Administrative Services
6. Technical Services
7. Information Systems
8. Training
9. Legal Services

An organization chart of the Board of Probation and Parole is on the following page.

The administrative duties and responsibilities of the board members are to establish criteria for granting and revoking parole; to develop policy, planning, and communication efforts; to visit correctional institutions and maintain contact with criminal justice agencies and agency field staff; and to participate in regional, federal, and local criminal justice planning efforts. The Management Advisory Committee, which is composed of the Executive Director, two Assistants to the Executive Director, General Counsel, Director of Field Services, and Director of Information Systems, provides the senior management structure for the agency and assists in the day-to-day operations of the board. Each Assistant to the Executive Director is given responsibility for several divisions; one oversees Administrative Services, Training, and Technical Services while the other oversees Board Operations and the Hearing Officers Division.

The Hearing Officers Division is responsible for conducting parole hearings and making nonbinding recommendations to the board for final deliberation. Hearing officers conduct the following types of hearings: grant, pre-parole rescission, post-parole rescission, preliminary parole revocation, final revocation, time setting, and appeal.

BOARD OF PROBATION AND PAROLE  
September 2000



Board Operations is responsible for scheduling timely parole hearings; providing information and materials needed for the board to make effective decisions; issuing parole and determinate release certificates; maintaining offender files; providing victim liaison services; requesting psychological evaluations; and processing executive clemency applications.

The Director of Probation and Parole supervises the Field Services Division of the agency. This division has four regional directors, each serving a designated number of counties. In addition to the four regional offices, there are nine district offices and 31 field offices. The regional directors have responsibility for the overall supervision of staff within their respective regions with the district directors having operational responsibility of their district within the region. The duties of probation and parole officers are to supervise and investigate the conduct, behavior, and progress of probationers and parolees assigned to them for supervision. Violation of any of the conditions of parole is a potential cause for revocation or other sanctions ordered by the board. In addition, any violation of the conditions of probation is a potential cause for revocation or other sanctions ordered by the courts. For fiscal year ending June 30, 2000, the monthly average parole population was 7,398 and the monthly average probation population was 31,487.

The Institutional Probation/Parole Officer (IPO) acts as an on-site liaison between the board, the Department of Correction Adult Institutions, and jails, for the purpose of gathering the necessary information for the board. The IPOs provide information about parole policies and procedures to institutional staff and offenders, coordinate the approval of parole release plans, and participate in prerelease programs.

Administrative Services, consisting of Fiscal Services and Human Resource Services, provides support services to all board programs. Technical Services offers assistance to develop policy drafts, assess the impact of applicable national standards, coordinate or plan surveys and research, plan and conduct audits and assessments, construct and utilize performance measures, revise or develop essential reporting or record keeping, and participate in strategic planning. Information Systems provides timely and efficient service and support to the board, while at the same time creating a shared learning information systems environment.

The Training Division is responsible for the development and implementation of a training plan at the regional level that will ensure adherence to policy and give staff knowledge and techniques to effectively perform their assigned job tasks. Legal Services consists of a general counsel and staff attorney to provide legal counsel and advice for the board divisions.

For fiscal year 2000, the board had expenses of \$47,361,201, funded by \$47,337,525 of appropriations and \$23,676 of interdepartmental revenue. An additional \$2,658,799 was received from offenders and placed in the supervision and rehabilitation fund.

## **COMMUNITY CORRECTIONS PROGRAM**

The Community Corrections Program was created by the Tennessee Community Corrections Act of 1985. The program was established to provide community-based alternatives to incarceration by providing services and programs in local jurisdictions for eligible offenders in lieu of incarceration in state penal institutions or local jails and workhouses. Such alternatives include noncustodial community corrections options, short-term community residential treatment options, and individualized evaluation and treatment services. The program gives local courts increased options, assists victims, and provides public service to local governments in a cost-effective manner. Taxpayers avoid paying the cost of jail or prison for nonviolent offenders. According to board reports, the average cost for fiscal year 2000 was \$4.60 per day for community corrections while the average cost for jail is over \$35 per day and the average cost for prison is over \$45 per day.

There are 20 community corrections programs, consisting of 6 nonprofit agencies, 6 Human Resource Agencies, and 8 county programs. Local advisory boards approve policies and procedures to ensure that these programs meet the minimum state standards and rules. The boards are made up of law enforcement staff, criminal court judges, public defenders, district attorneys, sheriffs, and other interested citizens. Legislation passed in 1998 moved the administration of the community corrections programs from the Department of Correction to the Board of Probation and Parole effective July 1, 1999. In fiscal year 2000, there were 5,291 offenders served statewide, 52% of whom successfully completed their community correction sentence.

Initially, the Tennessee Department of Correction entered into contract agreements with 20 community corrections agencies. These programs were transferred to the Board of Probation and Parole at the time of the merger of probation and parole, July 1, 1999. Fiscal year 2001 is the last year of the three-year contracts initiated by the Department of Correction.

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## **OBSERVATIONS AND COMMENTS**

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The issues discussed below did not warrant findings but are included in this report because of their effect or potential effect on operations of the board and on the citizens of Tennessee.

### **BOARD EFFORTS TO REDUCE ABSCONDERS**

As of October 31, 2000, there were 7,027 probationers in absconder status, with the average time on probation of ten months. In addition, there were 102 parolees in absconder status with the average time of eight months. (Generally, probationers and parolees are considered absconders after missing 2 scheduled meetings or contacts.) The board appears to be taking steps to address the issue of absconders. According to management, they are changing the

field officers' approach to monitoring offenders. Officers are being instructed to take a proactive approach and intervene as soon as possible whenever an offender fails to keep a scheduled appointment with them. Some of the actions include a personal visit rather than a phone call, interviewing family members, using computer information from a driver's license or food stamps, and surveillance around a suspected location. This type of intervention will initially take more time and will place a hardship on the officer, but in the long run, the proactive style of supervision will likely require less time, according to board staff. In metropolitan areas such as Memphis and Nashville, the board has established an absconder unit to locate offenders that officers are unable to find. The board also sends a list of the ten most wanted risk offenders to local law enforcement agencies for their assistance.

### **COMMUNITY CORRECTIONS CONTRACTS COULD BE IMPROVED**

Contracts between the Department of Correction and Community Corrections Program providers were transferred to the Board of Probation and Parole when probation and parole were merged on July 1, 1999. Monthly payments by the board are based on statements sent from each contract provider. With contract renewal during 2001 and new contract administrators, now would be a good time to correct possible weaknesses in the current contracts and improve contract compliance. Concerns expressed by board staff include insufficient cost documentation, inconsistency in reporting indirect costs, and no policy concerning advance payments.

The community corrections contractors have not been required to report all sources of income. A contractor may also approach the board for an increase in the grant amount without providing documentation to justify an increase. The board needs detailed information on service provision costs and information on all sources of funding in order to determine the amount of appropriations to allocate to each contract.

Grantees are required to submit a monthly revenue and expenditure report and to subtract the amount of fees and rent collected from the amount requested for reimbursement. Board staff monitor contracts by reviewing expenditures monthly, but there is not a standard billing form for grantees to submit monthly information. The inconsistency in reporting format increases the amount of time staff must spend reviewing grantee billings. A standard billing form for all grantees may reduce the amount of time staff spend reviewing monthly billings.

Some of the grantees itemize indirect costs to indicate what the expense was for, and others do not. Grantees should be required to provide a justification for indirect costs. There is not any policy that defines what is allowable as indirect costs; thus, grantees may put costs that belong in other categories into indirect costs.

There has been a practice whereby the grantee requests up to 20% of the contract amount as an advance and "pays" the amount back monthly or quarterly as a reduction in reimbursement. The practice was started with the Department of Correction but is not specifically allowed by statute or policy. The board should discontinue making advance payments.

Prior to signing the contract, grantees estimate how much revenue they will collect through offender fees. The board reduces the amount of reimbursement paid by the amount of fees collected. Board staff may wish to develop a uniform method for grantees to estimate the amount of offender fees they expect to collect during the contract period. A uniform method would also allow the board to monitor each grantee's performance in fee collection. Since the board does not have any policy regarding under- or overcollection of offender fees by grantees, the board may wish to consider a policy to sanction undercollection and reward collecting more than originally estimated.

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## FINDINGS AND RECOMMENDATIONS

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### **1. The board collected only 53% of probation fees and only 42% of parolee fees owed by offenders because of data system inadequacies and because officers did not enforce requirements**

#### **Finding**

For the period reviewed during the audit, only \$3,714,961 of \$7,005,399 in probationer fees (53%) and \$430,504 of \$1,035,516 in parolee fees (42%) was collected. A monthly average of 31,119 probationers owed fees for the period from July 1999 through September 2000, and for parolees, an average of 2,099 owed fees from April through June 2000. There are two general reasons for the deficiency. On the one hand, there are weaknesses in the payment collection system and the offender database that cause the offender records to be unreliable. Alternatively, probation and parole officers (PPOs) may not be taking the necessary steps to enforce collection.

Any person placed on probation, parole, or any form of limited supervision or suspended sentence is required to pay a \$15 per month supervision fee and \$30 per month to the criminal injuries compensation fund, unless exempted. The supervision fee is to be used by the board to improve the supervision of offenders. A partial or full waiver of fees may be granted for hardships such as low income, disability, or excessive medical bills. The sentencing court may also reduce fees. Based on documentation provided by the offender, the PPO files a fee exemption form to update the Tennessee Offender Management Information System (TOMIS). A nonpermanent court waiver must be renewed every six months.

The board works with the Department of Revenue to receive and process payments by individuals on probation. According to an arrangement started in 1995, probationers send their payments to the Department of Revenue using remittance coupons and preaddressed envelopes provided by their probation officer. Payments received are automatically processed, and related data are collected and uploaded to the State of Tennessee Accounting and Reporting System (STARS) and TOMIS. Incomplete payment packages are "rejected" and must be handled manually. For example, if the dollar amount on the money order differs from the amount on the

coupon, a Department of Revenue staff person changes the coupon amount so that they agree. When either the coupon or the money order is missing from the envelope, the remaining items are forwarded to the board for investigation and resolution. At least once monthly, a transaction report is generated to the board.

Board staff prepared for a rejection rate of 1% to 2%, or between 276 and 552 items per month, when they assumed responsibility for the program in July 1999, although the problems had presumably been going on since the program was begun in the Department of Correction in 1995. From June through August 2000, probationers submitted 27,606 fee payments for automated processing. During this period, the average rejection volume was 3,129 items per month, or 11.6%. The most common reason for payment rejection was a missing coupon. To meet the additional rejection processing demand, board staff estimated that they would need to increase available work time by 79% to avoid delays in payment processing and account crediting, which can result in incorrect arrearage amounts.

Staff of the board gave several reasons for outstanding balances. They said that expired fee exemptions frequently are not renewed because documentation that should be provided by the offender to support an exemption (e.g., medical bills, SSI receipts, income verification) is not supplied. With or without documentation, officers may fail to complete a fee exemption form in time, causing the system to automatically increase the assessment to the maximum amount. The total amount owed is thus likely inflated because of late reassessment reports.

In addition to fee reassessments, officers are expected to submit status changes to account clerks to prevent inappropriate fee accumulations. Status changes include deceased offenders, absconders, and offenders who transferred. If parole is revoked, the court suspends the fees and defines any arrearage as “uncollectible.” If offenders are reparaoled, new assessments are performed and prior arrearage amounts are erased. Late communication of status changes puts offenders at risk of having overstated arrearage amounts. In other cases, offenders may just not be paying their fees. For the months April 2000 through June 2000, the average amount of uncollected parolee fees was \$100,826 per month.

The *Offender Fee Manual* published by the board states that offenders are considered in “arreage fee status” when fee payments are not made within 30 days and that the officer should begin intermediate sanctions at that time including warnings of a warrant, increased contacts, and a payment schedule. The manual also provides that “a violation report will be prepared and submitted to the court and/or the board upon fee arrearage of 90 days.” The average number of “fee only” violation reports prepared for the entire state for June through August 2000 was 165 per month. In contrast, for September 2000, one field office in the Middle Tennessee region showed 1,598 offenders 90 days past due in fee payments. Officers may be reluctant to file violation reports based only on fee payment delinquency because of unreliable data and the court’s reluctance to enforce a violation for only missing fee payments.

## **Recommendation**

Management should institute the necessary changes to reduce uncollected fees. System programmers should reexamine any automatic defaults in the system. Status changes should be made in TOMIS in a timely manner and according to policy, fee exemption renewal forms should be filed on time, and sanctions available to officers should be imposed as necessary to encourage offender compliance. To reduce the rejection rate, the board should pursue bypassing the need for a coupon because the most common reason for rejection is a missing coupon.

## **Management's Comment**

We concur. The automated method (TOMIS) of tracking offender fee payments is flawed in many ways. As pointed out by the auditors, the TOMIS system automatically defaults to the maximum assessed amount if the offender does not complete a timely exemption on the system. We are dependent on the offender to provide documentation to enter the exemptions and often this documentation is late. This causes the system to raise the assessed amount and results in an inaccurate assessment of the total amount of fees that are actually owed. Further, the system continues to generate arrearages after the status of the offender is changed. In other words, there is no automatic ending of the accumulation of arrearages when an offender absconds or is taken into custody. The officer must change this status individually on each offender. It is a cumbersome process. However, the board recognized this prior to the audit and is currently pursuing changes in the TOMIS tracking system that are expected to increase collections by automatically alerting officers when offenders are in non-compliance with fee payments, and will generate a letter to the offender addressing the non-compliance. Management will be able to generate a report to see which officers are behind on fee collections and take appropriate action. The changes to TOMIS are currently in system testing form and should be in place shortly after July 1, 2001.

With regard to officer enforcement of fee payments, the board has policies that guide each officer in the enforcement process. However, case law requires that we prove the offender had the ability to pay and the refusal to pay was willful. Judges may sustain violations for failure to pay fees, but may return the offenders to supervision. There is an additional issue that because there is such a high error rejection rate with the coupon-collection system, an offender could actually be in compliance with fee payments but the tracking system may not have all payments posted. We want to avoid the possibility of filing a fee violation on someone who may actually be paid up.

There is an administrative process in place originally developed by the Board of Paroles which is utilized to address technical violations (including failure to pay fees) of parole by imposing additional supervision related sanctions. Policy has recently been amended to allow for probationers with technical violations to be referred through this process as well. The Board of Probation and Parole believes this will further enhance collection efforts.

Another issue regarding the inflated amount of fee arrearages in TOMIS revolves around ending or deactivating the fee screens. The board has recently learned that offenders with expired sentences continue to generate fee arrearages unless specifically ended by the officer. Many offenders are still currently generating fee arrearages after the expiration of their sentences. We have begun the process of cleaning up this data and devising an automated method to end fee arrearages when a sentence expires. However, it most certainly would have skewed the information in TOMIS reviewed by the auditors. TOMIS was never designed to be an accounting or financial management system, but it is the only system we have.

We also agree that the current fee coupon system utilizing the Department of Revenue needs improvement. However, the only current alternative is a manual method of collecting fees and depositing them in the field. Such a process is labor intensive, time consuming, and potentially open to abuse in the handling of funds. Our goal is to eventually phase out the use of the fee coupon system, and we are exploring alternative fee tracking systems with outside vendors.

The Board of Probation and Parole recognizes the importance of offenders' helping pay the costs of their supervision. The agency has incentives to increase fee collections in that fees can help fund additional supervision positions, drug testing costs, training, computer automation, and treatment for indigent offenders. The board is committed to doing everything possible to improve the collection process and increase supervision fee collections.

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## **2. Field officers are not performing required supervisory activities according to standards**

### **Finding**

Supervision of probationers and parolees in the community is an essential function of the Board of Probation and Parole. Adequate supervision increases the likelihood that persons will "remain at liberty without violating the law" (Section 40-28-117(a), *Tennessee Code Annotated*). The standards for field supervision specify the type and frequency of contacts that must occur between the probation and parole officer (PPO) and the offender under supervision. These contacts include face-to-face contacts, home visits, drug tests, arrest record checks, risk reassessments, and monitoring any special conditions imposed on the offender. Special conditions created by the district attorney or by the judge may include restitution, electronic monitoring, drug rehabilitation, anger management, studying for a GED, curfew, and community service work.

Upon creation of the merged agency in July 1999, PPOs used current standards of supervision, based on recommendations of line staff. In January 2000, the board conducted an assessment of those standards and found that some of the standards were not being met. As a result, the board directed staff to develop new standards effective February 1, 2000. Based on auditor review of the two sets of standards, there were few significant changes. The modified standards require home visits every other month for maximum-supervision offenders (rather than

every month), and annual home visits for medium-level offenders (rather than semi-annual). A summary of the current standards is in the table below.

### Standards of Supervision by Supervision Level

	Supervision Level			
	Intensive	Maximum	Medium	Minimum
Face-to-face contacts	4 per month	2 per month	1 per month	1 per quarter
Home visits	2 per month	Every other mo.	1 per year	1 per year
Drug testing	Quarterly	Every six mos.	Every six mos.	Every six mos.
Arrest records check	Monthly	Monthly	Monthly	Every other mo.
Special cond. monitoring	Monthly	Monthly	Monthly	Every other mo.

To confirm activities of PPOs, the auditors selected a random sample of 100 offenders from those on probation or parole as of July 1, 1999. Only offenders whose supervision could be tracked for more than six months during fiscal year 2000 were selected for the sample. Offenders were not included if they absconded, if they were sentenced to confinement in a facility, or if regular supervision discontinued for some reason prior to six months of supervision. Data were taken from the Tennessee Offender Management Information System, with some information confirmed by reviewing paper files in the field offices.

Of the 100 sample items, 21 did not have sufficient face-to-face contacts during supervision, 38 did not have sufficient home visits, 36 did not have the required number of arrest record checks, and 56 did not have sufficient drug testing performed. Of the 100 sample items, 27 did not appear to have special conditions as part of their parole or probation. Of the 73 remaining offenders in the sample, 5 (7%) did not appear to have been monitored for special conditions or did not complete their special conditions. Of the 100 sample items, 2 did not require risk assessments as part of their parole or probation. Of the 98 remaining offenders in the sample, 48 (49%) did not have risk reassessments as required.

## Summary of Sample Results

	Sample	Not applicable	Tested	Not in compliance	
				Number	Percent
Face-to-face contacts	100	0	100	21	21%
Home visits	100	0	100	38	38%
Drug tests	100	0	100	56	56%
Arrest record checks	100	0	100	36	36%
Special conditions	100	27	73	5	7%
Risk reassessment	100	2	98	48	49%

Board staff attribute the failure to meet standards to inexperienced staff, high caseloads (average of 95, according to management), staff covering for absent employees, and multiple functions to be performed on each case (home visits, face-to-face contacts, drug screens, entering information into TOMIS). In addition, many people left at the time of the merger. Staff turnover for fiscal year 2000 is estimated to be about 16%.

In June 2000, a consultant recommended and paid for by a grant from the National Institute of Corrections reported the results of a workload budgeting system. A workload budgeting system determines the number of officers needed by estimating the amount of time an officer needs to perform a given task (supervise an offender, conduct an investigation) according to work standards established by the board. The consultant reviewed studies done in Alabama, Colorado, Kentucky, and Nevada to arrive at workload values for each supervision level. The consultant estimated that the number of field officers needed for supervision and investigative assignments was 690. This number excluded officers who function as supervisors or work project coordinators. Based on current staffing allocations, this represents about an 18% increase over the roughly 584 officers currently available for supervision and investigative assignments. According to the consultant's report, "It is the finding of the consultant that the current number of probation and parole officers is insufficient to consistently meet the work standards as established by the board. Chronic under-staffing results in the inability of staff to complete the required offender contacts and home visits consistent with public safety."

## Recommendation

Management should ensure that officers perform all required supervisory duties related to offenders under their charge. Supervisory review should include adequate feedback to the

officers on how to deal with large caseloads. Management may wish to consider reorganization of duties and reallocation of resources to better perform all duties.

### **Management's Comment**

We concur. The board believes in its mission statement and pays particular attention to matters related to public safety. As stated by the auditors, "Adequate supervision increases the likelihood that persons will remain at liberty without violating the law." Keeping contact standards high enhances public safety and increases the chances for offenders to remain crime free. In establishing appropriate contact standards, the board must balance the need for public safety against the workload an officer can perform.

We could drastically lower the standards and achieve 100% compliance with internal and external audits. But, this would not enhance public safety and would not satisfy our primary mission. Instead the board endeavors to keep the contact standards as high as possible thereby increasing the likelihood an offender will remain at liberty without violating the law. However, the number of offenders per officer has increased dramatically in recent years.

We have experienced a 20% increase in caseloads since 1997 without the benefit of any new officer positions to supervise this growing offender population. The average case carrying officer now supervises over 100 offenders. Internal audits have mandated a reduction in contact standards once in the last year, and they have been reduced again in June 2001.

We have taken action, as recommended by the consultant from the National Council on Crime and Delinquency, to increase the number of staff available for supervision and investigative tasks. Included in the Governor's budget is a request to fund 56 new officer positions. Although this is only one half of the positions recommended by the consultant, it will help us address the situation.

The auditors also state, "Management may wish to consider reorganization of duties and reallocation of resources to better perform all duties." Since the merger between probation and parole, the Field Services Division has relocated approximately 25 officer positions where workloads are higher. Large increases in caseload growth have made this process more difficult, but we will continue to shift resources when possible. Should the board secure additional positions as requested, we will use an established workload formula to allocate positions.

Another audit recommendation states, "Management should ensure that officers perform all required supervisory duties related to offenders under their charge. Supervisory review should include adequate feedback to the officers on how to deal with large caseloads." In Fiscal Year 2000/2001 the board has been working closely with the Department of Correction and the Office of Information Resources (OIR) to make changes to the TOMIS case management system. The changes are currently in systems testing, and will come on line in August 2001. When implemented, the system will give each officer a method to track their individual caseload and the compliance with the current standards of supervision. It will provide exception reports during

each month to give each officer the name and number of each offender where standards have not been met. This will provide an automated method of tracking standards compliance, thereby giving officers more valuable time to complete supervision tasks. Additionally, the system will provide management information that will impose greater accountability.

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### **3. Only 13 of 20 community corrections grantees were reviewed during FY 2000**

#### **Finding**

During fiscal year 2000, the Department of Finance and Administration completed 13 grantee monitoring reviews. In accordance with its Policy 22 for subrecipient monitoring, the Department of Finance and Administration (F&A), Program Accountability Review (PAR) section, assumed responsibility of performing the reviews for the 20 community corrections program grantees as of October 1, 1999, and began its reviews in February 2000.

State law (Section 40-36-105(8), *Tennessee Code Annotated*) requires the board to “conduct an annual program evaluation of all programs once per year or as often as needed to ensure program accountability.” The evaluation is based on compliance with board standards and with contract agreements. The board pays F&A to conduct the reviews, and if there are any findings, the agency has 30 days to develop a corrective action plan and submit the plan to the board for follow-up. The auditors reviewed all 13 PAR evaluations of grantees. The remaining 7 grantees were not evaluated during fiscal year 2000. Without evaluations, the board cannot ensure compliance with standards of supervision, service delivery levels, and expenditure guidelines.

The board used funding from an established unfilled auditor position (\$28,328) to pay F&A to conduct the grantee evaluations. The board did not know when the contract began how much each audit would cost. According to the contract, the 20 grantees are ranked according to risk (high, moderate, or low). The contract requires the high-risk grantees to be monitored each fiscal year, and moderate- and low-risk grantees are to be monitored on a rotating basis until the financial limit of the annual contract is exhausted. The high-risk grantees were reviewed during fiscal year 2000. The board asked F&A not to do seven of the reviews because the cost would have exceeded the amount in the contract.

#### **Recommendation**

The board should ensure that the Community Corrections Program grantees are evaluated annually. The board should determine how much extra funding is needed to pay F&A to conduct all 20 evaluations and include this in its budget. Alternately, the board should consider whether the remaining reviews can be done with existing staff.

## Management's Comment

We concur. The following steps are being taken to ensure that each program is reviewed annually: Agency staff has completed program reviews for fiscal year 2000/2001 on all programs not reviewed by PAR. The agency has requested a budget improvement to fund an internal auditor position which would be used to supplement any reviews not done by PAR under the interagency contract. If this request is unsuccessful, existing agency staff will continue to supplement the PAR reviews.

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### 4. Some community corrections program providers did not submit required reports

#### Finding

Three of the 20 community corrections program grantees failed to submit one of the required monthly reports, and six of the grantees failed to submit at least one quarterly report. (One grantee, Westate Corrections Network, Inc., did not submit three of the four quarterly reports required.) In addition, 60% of the monthly reports and 56% of the quarterly reports were not dated when the board received the reports; thus, the auditor could not determine whether the reports were submitted in compliance with the grant agreement. Finally, 5 of the 20 annual reports (25%) were submitted after the due date.

The board has contracts with 20 grantees that provide community correction services. The board's *Community Corrections Program Standards* and the grant agreement between the board and the provider define the grantee reporting requirements. Each program manager must submit a monthly report by the 15<sup>th</sup> day of the following month and a quarterly report by the 15<sup>th</sup> day of the month following the end of the quarter. An annual report is required to be submitted by the program manager within 60 days of the close of the fiscal year. These reports contain statistical, program, and financial data.

The auditor reviewed the board's files of the monthly, quarterly, and annual reports for fiscal year 2000 to determine whether the grantee was in compliance with filing requirements and whether the reports were filed in a timely manner. The file review showed that 3 of the 238 monthly reports (1%) were not in the folders. Of the remaining 235 monthly reports, 42 of the monthly reports (18%) were dated after the 15th day of the following month. An additional 143 reports (61%) did not have a date indicating when the board received the report. The remaining 50 reports (21%) were dated and were submitted on or before the 15th day of the following month.

Eight of the 80 quarterly reports (10%) were not submitted. Two were missing in the first quarter, four were missing in the second quarter, and two were missing in the fourth quarter. Nineteen of the reports (24%) were dated and were submitted on time. Five of the reports (6%) were dated and were submitted late. Forty-eight of the reports (60%) did not have any date indicating when the report was received by the board, and the auditor could not determine whether the reports were submitted on time or late.

The annual reports are due by August 29 each year (60 calendar days following the end of the fiscal year, June 30). The board had received all 20 annual reports as of September 14, 2000. Fifteen of the annual reports were received by the due date (75%) and five of the reports (25%) were submitted after the due date.

### **Recommendation**

Board staff should date stamp each report received in the office to determine whether a grantee is in compliance with standards and the grant agreement. The board should also develop a written policy to follow when grantees fail to submit a monthly, quarterly, or annual report and should provide a system to ensure that the required reports are submitted.

### **Management's Comment**

We concur. All required reports have now been received and located. A date stamp has been purchased and is being utilized to date stamp each report upon receipt. During the audit period in question, the organization and filing of the reports were behind. An additional position has been assigned to the community corrections division, which is helping keep filing and organization up to date. A written policy will be developed to follow when grantees fail to submit a monthly, quarterly, or annual report and to ensure that required reports are submitted in a timely manner.

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## **5. Not all community corrections program grantees submitted audited financial statements for fiscal year 1999**

### **Finding**

The board could not provide required audited financial statements for fiscal year 1999 for 3 of 14 grantees (21%). These grantees are Davidson County Community Corrections, Mid-Cumberland Human Resource Agency, and Montgomery/Robertson County Community Corrections. In addition to the three missing reports, four grantees submitted copies of the county's Comprehensive Annual Financial Report (CAFR) as the audited financial statements, but the CAFRs do not provide detailed information concerning the grantee's financial status.

The grant agreement requires any grantee that receives \$300,000 or more in aggregate federal and/or state funding for all its programs to submit audited financial statements to the board, the Comptroller of the Treasury, and the Commissioner of Finance and Administration. The missing statements were not available from any of these sources. The audited statements are due within nine months after the close of the reporting period. For the period under review (fiscal year 1999), the Community Corrections Program was under the supervision of the Department of Correction. The Department of Correction did not follow up on the missing reports. Six grantees received less than \$300,000 in grants and were not required to provide an independent auditor's

report. For the remaining 14 grantees, the auditor was able to obtain 11 reports to review. There was no audit report for three grantees at the time of audit field work in September 2000. The board obtained the reports in May 2001. The reports had been completed within nine months but apparently not submitted to the board within the required nine months.

Two financial reports were dated later than nine months after the end of the fiscal year. Four of the 11 financial reports reviewed were not of the agency itself but were included in the county CAFRs. Although the grant agreement requires audits of grantees receiving \$300,000 or more in federal and/or state funding, this requirement is subject to the federal Single Audit Act of 1984. If an entity such as a community corrections agency is part of a larger organization, the Single Audit of the larger entity is all that is required. In this way, multiple audits of a government entity, such as a county, are avoided. However, the Single Audit Act envisions that program administrators may need more detailed information about a particular program than may be available through the Single Audit of the governmental entity through which that program is administered. In those cases, the program managers or those responsible for oversight of the program should request other detailed information directly and not as part of an audit.

### **Recommendation**

The board should ensure that grantees submit their financial statements timely. For grantees that submit their CAFR, the board should consider also requiring unaudited financial reports so that the board will have more detailed financial information than the CAFR provides.

### **Management's Comment**

We concur. The board has included in the agency strategic plan a goal to implement the recommendation.

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## **6. Some Board of Probation and Parole staff did not receive required training**

### **Finding**

A review of a sample of employee training histories for the period July 1, 1999, through June 30, 2000, revealed that 7 of 23 staff (30%) failed to receive the required 16 or 40 hours of annual training. The seven included four Probation and Parole Officers and three support staff. Four of the seven were located in Memphis. According to Section 210.05 of the Board of Parole's *Administrative Policies and Procedures*, "Full time support staff shall be afforded sixteen hours and specialized staff forty hours of annual training." The board defines "specialized" as anyone who holds a position requiring a college degree or specified equivalent, or who supervises other employees. "Support" staff includes clerical, secretarial, and other assistants.

The board set the training requirements to facilitate the employees' keeping up-to-date with advancements and changes in their profession. Failure to meet the training requirements may affect employees' job performance and violates the board's policy concerning professional development. Staff have suggested the training database may be incomplete. If this is a problem, the central office needs to improve the system to ensure that training instructors and supervisors submit the appropriate information so that employees receive the proper credit for the training they have attended.

### **Recommendation**

The Board of Probation and Parole should ensure that all training hours staff earn are reported to the central office and entered into the training database. Supervisors should also monitor employee training to ensure compliance with board requirements.

### **Management's Comment**

We concur. We will provide training as required by Board of Probation and Parole policy. Measures have been taken to ensure that staff receives the required training. The Training Division has already begun utilizing regional training with a 40-hour in-service training track for professional staff and 16 hours for support staff. Division directors in central office have developed a training schedule for their staff that relates to their specific job duties. Accurate and timely documentation of training attendance will ensure that we achieve full policy compliance. Out-service is documented by certificates of completion and/or the outside approval with an approved agenda. This training will supplement our regional training program. To monitor our progress the Training Division prints out a quarterly report of training hours and forwards it to the supervisors/managers. It is the responsibility of the supervisors and employees to review and correct the report. If make up training is needed, follow-up must be completed with appropriate documentation and forwarded to Training Division.

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## **7. Public officials were not notified of parole hearing results within the statutory time frame**

### **Finding**

Within 30 days after a parole decision has been finalized, the board must send notice of the hearing results to several parties. These parties include the trial judge (or successor) for the convicting court, the prosecuting district attorney, the sheriff of the county in which the crime was committed, and any victim or victim's representative who has requested notification of the hearing and/or of the board's decision. The public officials listed above were not always notified of post-hearing decisions within the statutory time frame. In 17 of 23 cases selected (74%), notification to these officials was not in compliance with the 30-day statutory requirement

because information was sent out quarterly. In those 17 cases, the time between decision and notification ranged from 31 to 77 days. The average notification time for these cases was 52 days.

Staff said they have not received any complaints from these public officials about the notification being late. Future plans are to include the monthly lists of finalized decisions on the board's Web page. When this occurs, an e-mail sent by board staff will notify relevant parties that the hearing decisions are posted on the Web site. Parties without an Internet connection will be notified monthly via regular mail. This is expected to resolve the noncompliance with the 30-day notification statute.

### **Recommendation**

The board should take the necessary steps to change post-hearing notification procedures to comply with the 30-day statutory requirement.

### **Management's Comment**

We concur. The agency had been notifying public officials of final parole decisions by a quarterly report. That report is now being run and distributed to public officials on a monthly basis. The agency will continue with plans to post final decisions on the agency web site.

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## RECOMMENDATIONS

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### ADMINISTRATIVE

The Board of Probation and Parole should address the following areas to improve the effectiveness of its operations.

1. The board should institute the necessary changes to reduce uncollected fees. System programmers should reexamine any automatic defaults in the system. Status changes should be made in TOMIS in a timely manner and according to policy, fee exemption renewal forms should be filed on time, and sanctions available to officers should be imposed as necessary to encourage offender compliance. To reduce the rejection rate, the board should pursue bypassing the need for a coupon because the most common reason for rejection is a missing coupon.
2. The board should ensure that officers perform all required supervisory duties related to offenders under their charge. Supervisory review should include adequate feedback to the officers on how to deal with large caseloads. Management may wish to consider reorganization of duties and reallocation of resources to better perform all duties.
3. The board should ensure that the Community Corrections Program grantees are evaluated annually. The board should determine how much extra funding is needed to pay the Department of Finance and Administration to conduct all 20 evaluations and include this in its budget. Alternately, the board should consider whether the remaining reviews can be done with existing staff.
4. Board staff should date stamp each report received in the office to determine whether a grantee is in compliance with standards and the grant agreement. The board should also develop a written policy to follow when grantees fail to submit a monthly, quarterly, or annual report and should provide a system to ensure that the required reports are submitted.
5. The board should ensure that grantees submit their financial statements timely. For grantees that submit their CAFR (Comprehensive Annual Financial Report), the board should consider also requiring unaudited financial reports so that the board will have more detailed financial information than the CAFR provides.
6. The board should ensure that all training hours staff earn are reported to the central office and entered into the training database. Supervisors should also monitor employee training to ensure compliance with board requirements.
7. The board should take the necessary steps to change post-hearing notification procedures to comply with the 30-day statutory requirement.