



JACKSON COUNTY

Oregon

Internal Audit Report

Community Justice Transition Center

March 10, 2015

Presented to the
Jackson County Board of Commissioners
by the
Internal Audit Program

Audit Team
Eric Spivak, County Auditor
Tanya Baize, Senior Auditor



**JACKSON
COUNTY**
Oregon

MEMO
INTER - OFFICE

Internal Audit

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To: Board of Commissioners
From: Eric Spivak, County Auditor *ES*
Subject: Audit of Community Justice Transition Center
Date: 3/10/15

The enclosed report presents the results of a performance audit of the Community Justice Transition Center completed as part of the fiscal year 2014-15 audit plan.

The audit was conducted to determine if internal controls adequately safeguard county and client assets and to determine if the Center is compliant with contractual obligations relating to its contract to house and supervise federal clients. The audit team found the controls to be adequate and the Center to be compliant in its contractual obligations.

The report has been reviewed by the Community Justice Director and Transition Center Manager. They agree with the findings and recommendations and have already implemented some of the recommendations.

The report has also been reviewed by the Audit Committee.

The Internal Audit program appreciates the cooperation and assistance received from the Director, Center Manager, and their staff throughout the course of the audit.

C: Audit Committee
Shane Hagey, Community Services Director
Eric Guyer, Transition Center Manager
Moss Adams, LLP

Community Justice Transition Center

Introduction and Background

The Transition Center Program (the Center) operates a facility that serves as an alternative to the County jail.

The Transition Center has 169 beds, and in 2013 averaged 114 clients per day. In 2014 the average population increased to 129 per day. The average length of stay is around 15 days, though it varies based upon the reason the client is in the Transitional Center.

The Transition Center receives clients from the Jackson County jail. They also receive Federal and State clients, Bench clients (misdemeanor, failure to appear, etc.), and clients from local Municipal Courts. The Center can accept any offender who has been sentenced and has a release date, no recent history of absconding, no antisocial issues, and no victim sensitivity issues. The Center tries to accept as many offenders from the Jackson County jail as it can, to make room in the jail for more violent offenders, and to reduce the number of individuals released from jail due to lack of bed space (forced releases).

Clients are generally placed in the Center for one of the following reasons:

- Violation of the terms and conditions of supervision: Referred to as “sanctioned offenders,” these individuals are assigned to work crews during their stay at the Center. Work crews provide services such as fuel reduction, firefighting, culvert improvement, garbage debris collection, and grounds maintenance at local parks, highways, and forests. Revenue earned by the work crews is used to offset costs of running the Center and clients can earn credit towards an early release date for working on a work crew.
- To reduce overcrowding at the County jail: There are more criminal offenders and arrests in the County than there are jail beds. Individuals who are determined to possess a minimal risk to the community are moved from the jail to the Transition Center to make bed space available for individuals who pose a greater risk to the community. Use of the Center for this purpose serves as an alternative to releasing individuals into the community due to lack of bed space, which is commonly referred to as “forced release.”
- Transitional Housing: Individuals completing their jail sentence may have no place to go once released and/or lack a job. These clients are allowed to move within the community during the day while pursuing permanent housing options and employment while spending their nights at the center. Clients in the

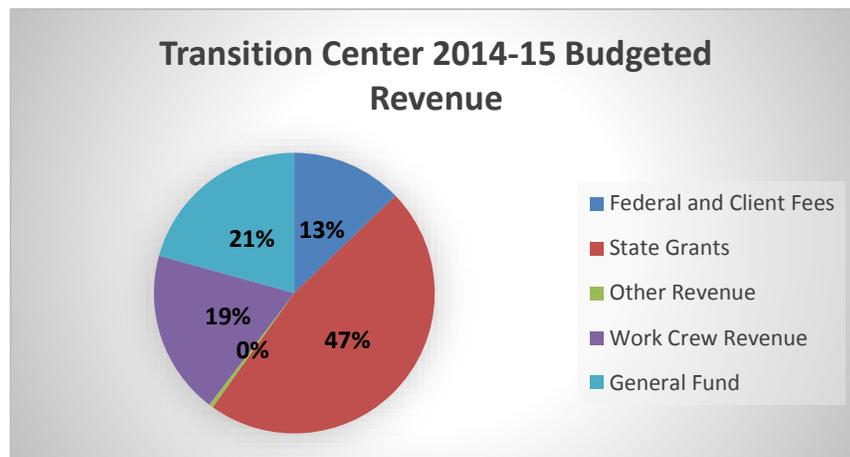
Transitional Housing Program generally have 2 weeks to find a job, and then pay 25% of their earnings to the Transition Center.

- **Work Release:** Clients are allowed to come and go from the Center to attend work. These clients are assigned to the Transition Center by the Court. The Work Release program serves to enable appropriate individuals to maintain employment and family income while simultaneously serving their court-imposed sentence. Clients pay a \$30 daily fee to the Transition Center.

A central tenet of the Transition Center is to shift the financial burden of incarceration from the local tax base to the offender¹. The Center collected about \$55,000 in total fees from Work Release and Transitional Housing clients in fiscal year 2013-14. All clients are also charged an administrative fee for urinalysis tests, but the fee does not cover the entire cost. For example in 2013-14 the Center collected \$13,696 in urinalysis fees, but incurred \$31,479 in urinalysis costs.

Various services are provided to clients. The Center offers Wild Land Firefighter training, Life Skills, Job Readiness, Alcohol and Drug Addiction, and Food Handler Certification Classes. The Center is currently looking into adding first aid and CPR training.

In fiscal year 2014-15 the Transition Center is budgeted to receive 47% of its revenue from State grants, 19% from work crews, 13% from client fees and fees charged to the Federal Government to house Federal clients, and 21% from Other Sources and the General Fund.



The largest impact to the Center’s revenue has been the elimination of Title III funds. Title III funds were made available as part of the yearly stipend provided by the federal government to partially replace Federal timber sales. Transition Center

¹ 2014-15 budget doc

work crews provided firefighting support and fuel reduction services to federal land managers and the Center was paid using Title III funds. In fiscal year 12-13 Title III funding was the source of \$584,000 in Transition Center revenue. In fiscal year 13-14 the amount was reduced to about \$240,000 and is \$0 for fiscal year 14-15. The Center has an operating budget of approximately \$4 Million. In fiscal year 2013-14, actual Personnel Services decreased by 8% and Materials and Services decreased by 1%.

General Fund support is used to compensate for operating costs beyond what the Center earns from work crews, client fees, and grants. The Center has decreased its need for General Fund support from fiscal year 12-13 to the present. \$1,150,633 of General Fund support was received in fiscal year 12-13 and the amount was reduced to \$847,198 for fiscal year 14-15, a reduction of 26%. In fiscal year 13/14 an increase in State funding in conjunction with lower actual personnel costs allowed for a significant decrease in need for General Fund support.

Transition Center Program Revenue and Expense

Revenue	2014-15 Revised Budget	2013-14 Actual	2012-13 Actual
Grants	\$1,927,313	\$2,070,476	\$1,245,710
Work Crews	\$775,000	\$871,054	\$739,736
Title III	0	\$239,656	\$584,395
Client Fees	\$65,800	\$69,800	\$86,744
Federal Fees	\$450,000	\$462,130	\$437,763
Other	\$28,000	\$25,681	\$23,175
General Fund	\$847,198 ¹	\$279,069	\$1,150,633
Total Revenue	\$4,093,311	\$4,017,867	\$4,268,156
Expense			
Personnel Services	\$2,801,596	\$2,593,431	\$2,826,022
Materials & Services	\$1,291,715	\$1,424,436	\$1,442,134
Total Expense	\$4,093,311	\$4,017,867	\$4,268,156
Budgeted FTE	35.79	35.77	39.8

Source: E1 financial system

¹ Actual General Fund revenue is \$1,045,664 for fiscal year 2014-15, which includes \$198,466 in Reinvestment Grant Money received in fiscal year 2013-14 for fiscal year 2014-15.

The staffing level for fiscal year 2014-15 is unchanged from the prior year, with budgeted Personnel costs accounting for 68% of total expenses.

For 2014-15 the Transition Center budgeted staffing consist of:

- 13 Transition Center Technicians
- 4 Community Justice Officers
- 2 Alcohol and Drug Specialists
- 10 Community Service Crew Coordinators

In addition there are 3 Supervisors, 2 office staff, 1 Program Manager, and .79 FTE in overhead staff.

As will be discussed later, the Transition Center uses the Keefe commissary system to track client savings and commissary accounts. Transition Center fees and payments are also recorded in the Community Justice Southern Oregon Justice Information System (SOJIS), which will soon be replaced by the Offender Tracking Information System (OTIS).

Transition Center Stakeholders include:

- The Oregon Department of Corrections: The Community Corrections Act Funding from the State of Oregon allows local agencies to supervise Senate Bill 1145 cases locally instead of sending these cases to the Oregon Department of Corrections for housing and supervision. Under Senate Bill 1145 counties assume responsibility for felons: (a) on parole; (b) on probation; (c) on post-prison supervision; (d) sentenced to 12 months or less incarceration; or (e) sanctioned by a court or the State Board of Parole and Post-Prison Supervision to 12 months or less for violating a condition of parole or post-prison supervision. The Act is budgeted to provide \$1,625,086 in grant revenue to the Transition Center in fiscal year 2014-15.
- Federal Bureau of Prisons: The Transition Center currently has an agreement with the Federal Bureau of Prisons to house up to 12 federal inmates at a rate of \$118 per day. This agreement brought in \$462,130 in fiscal year 2013-14. The federal clients have Individual Program Plans that must be dated within two weeks of inmate arrival, and goals are to be timeline oriented and measurable. Federal Clients are required to have bi-weekly follow-up meetings with the case manager. Federal Clients do not participate in the Work Restitution Program.
- Jackson County Jail: As stated previously, the Transition Center is used as an alternative to forced releases. Inmates from the jail can be transferred to the Transition Center, or released to the community due to a forced release, or released on their "own recognizance" (referred to as an OR release) because

they have admitted guilt and are considered a low flight risk. OR releases are inmates that generally have a home, job, or family in the community.

In 2013 there were 4,956 forced releases, 2,352 OR releases, and 1,906 transfers to the Transition Center. During the first half of 2014 there were only 1,303 forced releases from the jail. The dramatic drop is due to additional beds becoming available at the jail plus use of a new tool used to determine who is eligible for an OR release. The tool is used to identify arrested individuals who can most safely be released into the community on their own recognizance, while awaiting trial, thereby freeing up the limited amount of bed space in the jail. As a result, there are less forced releases of those more likely to put the community at risk.

- The individuals receiving services at the Transition Center and the families of those individuals
- All residents of Jackson County

Audit Authority

We conducted our audit in accordance with Codified Ordinance 218 pertaining to the County Auditor. Our audit was included in the fiscal year 2014-15 Internal Audit Plan.

Compliance with Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. These 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.

Confidential or Sensitive Information

We withheld Transition Center client names from the report as this is confidential information.

Audit Objectives

The objectives of the audit were to determine if controls are adequate to safeguard client funds and prescriptions, and work crew tools from theft or misuse, and to determine if federal clients are receiving urinalysis and case plan updates as required.

Audit Conclusion

Controls appeared mostly adequate to safeguard client funds, prescriptions, and work crew tools, although a few minor recommendations were made. Both urinalysis and case plan updates are occurring as required, but the updates could be improved by noting progress made toward measurable goals.

Audit Scope and Methodology

The scope of the audit will primarily focus on activity in the last six months unless specified otherwise in the report.

Audit procedures included:

- Reviewing Transition Center Policies and Procedures.
- Meeting with the Transition Center Office Assistant responsible for maintaining the client financial accounts.
- Reviewing a sample of client financial documents and account summaries.
- Meeting with the Transition Center nurse to discuss controls over client medication.
- Reviewing a sample of Federal client files
- Meeting with the Work Crew Supervisor and reviewing controls over Work Crew tools and equipment.
- Meeting with a few clients to discuss any issues or concerns they may have.

Audit Criteria

Criteria consisted of Transition Center Policies and Procedures, Oregon Revised Statutes Chapter 144 Sections 410 through 525 *Work Release Program*, and the Federal Bureau of Prisons agreement with the Transition Center.

Audit Findings

Client Funds

Clients at the Transition Center can have a commissary account and a savings account (client funds). The Transition Center uses Keefe commissary products, and the Keefe Commissary software system to manage client funds. The balance in the Transition Center bank account utilized for client funds was \$4,944 on September 1, 2014.

When family or friends add money to a client commissary account, they are given a receipt, and the Transition Center Office Assistant updates the client’s commissary account in the Keefe system. The client is also given a receipt so they know how much money they have on their account. The client can fill out a commissary order form each Tuesday, and the items are delivered on Saturday. When Keefe fills the order, the item is scanned and the client’s account is automatically charged. The client signs an agreement when released, allowing the Transition Center to apply any remaining commissary funds to any outstanding charges. If there is no outstanding balance, the Office Assistant will mail the client a check for the balance.

A Keefe system savings account is used to track work release and transitional housing fees and payments for each client. Work release clients are charged \$30

per day, and transitional housing clients are charged 25% of their earned pay. Clients usually cash their paycheck, and then bring the Community Justice Officer (CJO) the cash and pay stub. The CJO writes the client a receipt for the amount retained for Transition Center fees. The cash or check and a copy of the receipt are kept in a locked safe until the Office Assistant applies both the work release or transitional housing fee and payment to the clients Keefe savings account. Once a week the Office Assistant sends the payments collected to the Administrative Manager who deposits the money in the Transition Center checking account. Another Office Assistant reconciles the Transition Center bank statements.

We identified one opportunity to improve controls over the client funds, which will be addressed in a new software system being developed by Jackson County Information Technology for Community Justice. We reviewed a sample of 8 client savings accounts and found no evidence that client funds had been handled inappropriately.

Client Medication

Client medication brought in by a family member must be in the original container and match the description on the container. Any over-the-counter medication brought in by a family member must be in its original sealed packaging. When the client is released, any remaining medication is given to them, and they must sign acknowledging receipt.

Medications are kept in a locked room in a locked medical cart. Narcotics are kept in a locked box inside the locked medical cart. On the day we reviewed medication procedures there were only four clients taking narcotics. The nurse and two staff members have keys. The keys are passed to the next staff member when the shift changes. Transition Center staff disburse medication at 6am, noon, 6pm and 9pm.

Medical staff prepare a Medication Administration Record (MAR) for each prescription. A MAR is prepared for over-the-counter medication as well, but is stamped KOP "Keep on Person." Medication calls are announced over the intercom, and clients enter the medication room one at a time. Transition Center staff initial the MAR for each medication disbursed. If the client does not show up for the medication call, it is noted on the MAR. Disbursement of narcotics must be noted on both the MAR and narcotics log book. Narcotics are double counted by the outgoing and incoming staff member at each change in shift. Both staff members sign the Controlled Drug Count Log to document the double count, and the nurse reviews the log to insure the double count takes place.

We identified one opportunity to improve controls over narcotics. Currently the client does not sign to acknowledge receipt of narcotics. In this situation, a client could refuse a narcotic, but the staff member performing medication call could go ahead and sign the MAR and narcotic log book as if the client had taken the medication, but keep the narcotic for themselves. The Transition Center now requires clients to sign the narcotic book to acknowledge receipt of the narcotic.

Work Crew Tools and Equipment

In fiscal year 2013-14 the Transition Center spent \$25,200 on the purchase, maintenance, and repair of tools and equipment for the Work Restitution crews. The Supervisor maintains a spreadsheet of equipment and serial numbers that also shows equipment that has been scrapped for parts. Each day, the Supervisor fills out an equipment check-out form for each crew that specifies how many of each type of equipment will be needed. The Crew Leader then selects the equipment from the shop and records the equipment ID number on the form. At the end of the day, the Supervisor ensures that all equipment has been returned. Each day one of the Crew Leaders and a few clients will clean and service the equipment so it will be ready to use the next day. The Transition Center tries to perform all repair or maintenance work themselves, utilizing equipment skills of the clients. Maintaining some equipment can become expensive, and sometimes the Center must use an outside repair shop. Tracking the age and value of equipment would aid in repair decisions, so we recommend that the equipment inventory spreadsheets also record purchase date and purchase price. The spreadsheets should also track disposal date and method.

The crews routinely use weed eaters, lawnmowers, blowers, and chainsaws. Rogue Community College occasionally provides chain saw safety training; however, since clients are constantly coming and going, it is hard to make sure they all receive training before using a chain saw. To help reduce liability, the Transition Center should consider obtaining a chain saw safety video that all clients must view before using a chain saw. Clients should also sign to verify that they received the training.

Compliance with requirements for Federal clients

The Transition Center houses up to 12 Federal Clients at a rate of \$118 per day. The Federal Bureau of Prisons periodically conducts audits of the facilities where their clients are housed. Audits of the Transition Center by the Federal Bureau of Prisons in August 2014, found that:

- Individual Program Plan (IPP) reviews were not all dated within 2 weeks of the inmate's arrival, and while they did include goals, none were timeline

oriented or measurable. In addition the “Client Goal” section did not appear individualized.

- For the files reviewed, there was no formal bi-weekly follow up meeting with the Case Manager.
- Three Federal Clients were found to have not had the required four urinalysis tests during the month of July 2014.

We reviewed a sample of six federal case files, but all had intake dates before the federal audit was released, so we were unable to determine if new clients are now receiving an initial IPP within two weeks of arrival. We reviewed goals, and found that some did have individualized, measureable goals, such as making 8 work contacts a day, or obtaining a birth certificate and Social Security Number card; however, subsequent updates did not always comment on the client’s progress to achieve the goals. A lot of the goals appeared to be very similar and referred to obtaining work, and remaining drug free, but these would seem to be appropriate for a large percentage of the clients.

After the August 2014 federal audit, the Transition Center implemented a bi-weekly case plan follow-up for federal clients. We reviewed a sample of six federal case files, and confirmed that bi-weekly meetings were occurring after August 2014.

We reviewed a sample of 13 client files, including 6 federal client files, for the period of July 2014 through October 2014, and found that all had received the appropriate number of urinalysis tests. We noted that the Transition Center Policy and Procedure states that Federal clients will be given an intake urinalysis and scheduled for one random urinalysis each week. The Federal Audit appeared to only be requiring four urinalysis a month. The Transition Center should consider updating the policy to reflect the true federal urinalysis requirements.

Strategic Objectives

We reviewed the strategic objectives and outcomes for the Transition Center reported in the fiscal year 2014-15 adopted budget. One strategic objective is to screen offenders for placement into programs which target their rehabilitation needs. The outcome measure reported for this objective is the percent of offenders who successfully complete a program. This implies the percent of clients who have completed a rehabilitation program, but the numbers reported represent the number of clients who were released from the Transition Center without absconding or being returned to jail for failure to abide by Center rules. The Transition Center should consider revising the wording of the objective or the outcome to avoid any confusion as to what is being reported.

Other

We also interviewed a few clients at the Transition Center and sampled the lunches provided to the clients. None of the clients had any health, safety or other concerns to report.

The lunch we sampled included a peanut butter and honey sandwich, 4 slices of bread, 2 thick slices of bologna, one packet of mustard, one packet of mayonnaise, a bag of chips, a cookie, and a small apple. Considering that a client could make three sandwiches, the food provided should be more than adequate to satisfy a client's hunger. We found the food to be palatable though we do agree with one of the interviewed clients who commented that a second packet of mustard would be nice.

Summary of Audit Recommendations

- Work with the Jackson County Information Technology staff to make sure the potential weakness identified is corrected in the new system.
- Require clients to sign when receiving narcotic medication. This recommendation has already been implemented.
- Include the purchase date, purchase amount, disposal date, and disposal method on the equipment inventory spreadsheet.
- Obtain a chain saw safety video, and require all work crew members to view the video before using a chain saw. Work Crew members should also sign to verify that they received the training.
- Regularly comment on the client's progress toward achieving goals on bi-weekly follow-up.
- Consider rewording strategic objectives and outcomes in the budget document to avoid any reader confusion.



JACKSON COUNTY

Community Justice

Community Justice Transition Center

Shane Hagey
Director

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February 11, 2015

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Jackson County Administration

To: the Internal Audit Program
Re: Internal Audit Report Findings

Thank you for the time and consideration your team has put into the audit of the Jackson County Transition Center. I concur with the recommendations and have authorized the implementation of five of the six recommended actions.

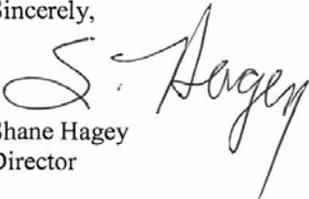
- **Work with the Jackson County Information Technology staff to make sure the potential weakness identified is corrected in the new system.**
 - The Department, and Transition Center staff specifically, has worked closely with the Information Technology staff to ensure the new Offender Tracking system meets the programmatic needs of the Transition Center.
- **Require clients to sign when receiving narcotic medication. This recommendation has already been implemented.**
 - The Transition Center has implemented this practice.
- **Include the purchase date, purchase amount, disposal date, and disposal method on the equipment inventory spreadsheet.**
 - The Transition Center has implemented this practice.
- **Obtain a chain saw safety video, and require all work crew members to view the video before using a chain saw. Work Crew members should also sign to verify that they received the training.**
 - The Transition Center has developed and implemented a saw safety course that clients are required to take and obtain a passing score on the final test.
- **Regularly comment on the client's progress toward achieving goals on bi-weekly follow-up.**
 - Current staffing levels at the Transition Center prevent full implementation of this recommendation. All Federal clients receive these updates and follow-ups as specified in the Bureau of Prisons Statement of Work. This recommendation will be looked at again as staffing levels increase.

February 11, 2015
Page 2 of 2

- **Consider rewording Strategic Objectives and outcomes so as to avoid any reader confusion.**
 - The Transition has revised the wording in accordance with this recommendation.

The scope and thorough nature of the audit was a welcome review of our current practices and program. The Audit Team conducted the audit in a manner that will lead to a stronger program at the Transition Center and reduce potential liability to Jackson County. I welcome any further comments or feedback the Committee might have regarding operations at the Transition Center.

Sincerely,



Shane Hagey
Director