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## An Audit Report on Management Controls at the Juvenile Probation Commission

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November 1998

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# Key Points of Report

## An Audit Report on Management Controls at the Juvenile Probation Commission

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### Overall Conclusion

The Juvenile Probation Commission (Commission) cannot ensure that the 168 local juvenile probation departments (local departments) perform the tasks that the Legislature expects. The Commission should improve the way it manages its contracts with the local departments and ensure it provides the Legislature and others with accurate information. In fiscal year 1998, the Commission provided \$80 million in state funds to the local departments. The Commission reports that the local departments provided services to over 85,000 children ages 10 through 16 in 1997.

The Commission has worked hard to develop and maintain a good working partnership with the local departments. However, maintaining this partnership has meant that the Commission does not oversee programming decisions or expenditures associated with local funding.

### Key Facts and Findings

- The Commission has not addressed persistent problems in its monitoring of contracts with the local departments. The Sunset Advisory Commission and the State Auditor's Office identified these problems in earlier reports. The Commission does not use risk assessment when planning the level of monitoring at each local department. As a result, the monitors have not focused their resources to ensure that each local department meets performance goals and spends its money on the best and most efficient contractors.
- The information that the Commission reports to the Legislature and others may be inaccurate. The Commission does not test data for 8 of its 12 key performance measures, nor does it reconcile the data on a regular basis. Without reliable information, it is difficult to make good decisions.
- The Commission cannot control delays in the construction of post-adjudication centers. The Commission is responsible for ensuring that \$37.5 million in construction bonds are spent to provide post-adjudication facilities around the State. As of August 31, 1998, six of the projects were complete, eight were in construction, and five had not yet started.

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*This audit was conducted in accordance with Government Code, Sections 321.0132 and .0133.*

# Executive Summary

**T**he Juvenile Probation Commission (Commission) cannot ensure that the local juvenile probation departments (local departments) perform the tasks that the Legislature expects. The Commission should (1) improve the way it manages its contracts with the local departments and (2) ensure it provides the Legislature and others with accurate information.

The Commission has developed and maintained a good working partnership with the local departments. This relationship is due to the rigorous efforts that the Commission has extended. However, maintaining that partnership has meant that the Commission does not oversee programming decisions or expenditures associated with local funding. The Commission staff believes that it has limited authority to participate in program and fiscal decisions associated with local funding.

## Why We Did This Project

In recent years, state and local funding for juvenile probation services in Texas has increased dramatically. At its inception in 1981, services were funded with \$2.5 million in state and \$33.6 million in local funds. Last year, state and local funding exceeded \$236 million (\$80 million and \$156 million, respectively).

In other reviews, the State Auditor's Office has found that the business systems that work for a small agency are not always sufficient when an agency grows quickly. If a critical business system fails, the agency may not achieve its goals.

Regardless of the source of the funds, the Commission has not demanded full accountability from the local departments—even in those areas where it has clear expertise and authority. These areas include the development

and testing of performance measures and management information.

## Improve Monitoring of Local Departments

The Commission has not fully addressed the problems identified in recent Sunset Advisory Commission (Sunset) and State Auditor reviews. These problems relate to the Commission's contracts with the local departments. The Commission still needs to:

- Develop adequate responses to noncompliance.
- Find ways to determine the success of individual departments.
- Ensure local departments appropriately monitor their subcontractors.
- Improve documentation of program monitoring so that a reviewer can determine why issues are dropped or reported and whether all significant issues have been addressed.
- Use a risk assessment process to determine which local departments, facilities, programs, and services should be monitored and the level of monitoring at each.

Currently, the Commission conducts annual fiscal and program reviews at all local departments. However, these reviews focus on compliance with standards, not all of which affect the quality of services. The Commission's only sanction in response to noncompliance is the withholding of funds. The Commission has been

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reluctant to sanction local departments for noncompliance.

## Verify Data Collected by the Local Departments

In addition, the Commission currently relies too heavily on local departments to ensure the accuracy of reported data. The Commission, other state agencies, and at least one federal agency use this data to project future needs and to gauge current and past levels of performance. Eight of the Commission's key performance measures rely on data that may be inaccurate.

## Structure of Bond Issuance Limited the Commission's Control Over Construction Projects

Although the Commission is responsible for ensuring that \$37.5 million in construction bonds are spent to provide post-adjudication facilities

The Commission distributed bond proceeds to counties as state grants, in accordance with its contract with the Texas Public Finance Authority. This form of distribution allowed the State to take advantage of federal rules on arbitrage. Federal rules consider grants to be expended when they are disbursed to the counties, and as a result, counties can earn interest on the grant funds without having to pay arbitrage rebates to the federal government. However, treating the money as grants has also limited the Commission's authority over the projects.

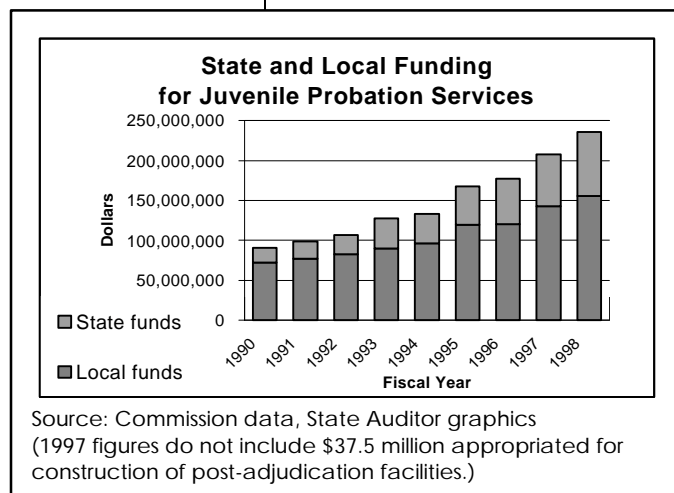
As of August 31, 1998, 6 of the 19 construction projects were complete, 8 were under construction, and 5 had not yet started.

## Background

In fiscal year 1998, the Commission provided almost \$80 million to local juvenile probation departments. This money, combined with almost \$156 million in local funds, provides juvenile probation services to children ages 10 through 16. Statewide, the Commission pays for about one third of the total cost of juvenile probation services. State funding, as well as local funding, has increased in recent years (see Figure 1).

Juvenile probation services are delivered through a local network controlled by 168 local juvenile probation departments. The boards of these local departments are defined in statute for each county, and they generally include district and county court judges. The Commission reports that local departments handled over 126,000 referrals in 1997.

Figure 1



around the State, the Commission cannot control the delays in county construction projects.

# Executive Summary

## Auditor's Summary of Management's Response

The Commission generally concurs with the recommendations and has, in some cases, begun corrective action. Management does not concur with two recommendations.

- The Commission did not implement a Sunset recommendation to increase the range of responses available for addressing departmental noncompliance. The Commission believes that the current range of responses is adequate to ensure compliance.
- The Commission will not consider problems identified in independent audits in its risk assessment process. It believes that addressing the internal control findings identified in independent audits is beyond the scope of its authority.

Management's responses follow each recommendation.

## Commission's Summary Response

*The Texas Juvenile Probation Commission (TJPC) is committed to providing the best stewardship of public funds and their use possible, and in this spirit we concur with most of the recommendations made by the State Auditor's Office. The Texas juvenile probation system is largely a state-assisted responsibility of the local governmental entities. Local counties provide approximately 70% of the funds spent on juvenile probation annually. Responsibilities of TJPC are centered around establishing standards and monitoring the use of state funds. As the state*

*agency charged with providing additional resources and assistance to the state's juvenile probation departments, we appreciate the State Auditor's Office work and recommendations on how to improve the state's administration of the juvenile justice system.*

*To further exemplify our commitment, we commissioned a study of our Risk Assessment Instrument and contract monitoring program by an independent auditor in the Spring of 1998. (See Review of the Texas Juvenile Probation Commission Risk Assessment and Contract Monitoring Program, June 29, 1998 by Russell Gregorczyk, C.P.A.). As a result of this study and in anticipation of the State Auditor's Audit Recommendations, TJPC has refined our previous risk assessment instrument, is developing another risk assessment instrument to determine what to monitor, and has made extensive changes in the monitoring program for fiscal year 1999. Since the State Auditor's report coincides closely with the June 1998 study in terms of recommendations, TJPC's on-going efforts to refine our monitoring process should address most, if not all of the recommendations for improvement in the November State Auditor's report.*

## Summary of Objectives and Scope

Because the Commission does not provide direct services, we limited our work to a review of:

- How it ensures that local departments accomplish the tasks that the Legislature expects

# Executive Summary

- How it ensures that the information it provides to the Legislature and others is accurate

We also reviewed the status of the construction projects.

A State Auditor's Office review of the Juvenile Justice Alternative Education Program is currently underway. We expect the report to be released in early 1999.

## Improve Monitoring of Local Departments

Although the Commission has improved its fiscal and program monitoring process in recent years, it could do more to improve its monitoring efforts. Over the last two years, the Commission has partially or fully implemented several recommendations from previous Sunset Advisory Commission (Sunset) and State Auditor reviews. However, we have identified additional actions the Commission could take to further address the issues raised in the reviews.

We also found other opportunities for improvements to the Commission's monitoring process. One of these is to use risk assessment to determine what should be monitored at each local juvenile probation department (local departments). This would allow the Commission to begin to monitor the quality of the services that the local departments provide in their communities. Other improvements that the Commission could make include:

- Perform tests on the accuracy of the data it receives from the local departments. The Commission indicates that it does this on a sample basis. However, this testing has not been documented or formalized.
- Review program budgets for reasonableness.
- Develop a wider range of options to encourage local departments to comply with requirements.

First, however, the Commission must focus its monitoring on those factors that will ensure that good services are delivered effectively and efficiently.

### Section 1-A:

## Increase Efforts to Correct Identified Problems

In several instances, the Commission implemented Sunset and State Auditor recommendations but did not fully correct the identified problem. For example, the

Commission implemented a recommendation to require local departments to monitor their subcontractors by adding language to the contracts requiring them to do so. However, the Commission does not confirm that monitoring occurs. The Commission does not review the local departments' documentation of their monitoring visits to subcontractors, does not provide guidance to the local departments on how to identify questionable expenditures, and does not provide information to the local departments on which contractors to avoid based on recent reviews. This

### What needs to be monitored?

The Commission established 670 contracts with 168 local juvenile probation departments for fiscal year 1998 for a total budget of \$91 million dollars. The Commission administers contracts for 26 programs funded by the State. Communities add local funds as well. In fiscal year 1998, approximately 66 percent of total funding for local juvenile probation departments came from local sources. The Commission does not monitor the expenditures from local funds.

The largest state-funded programs are State Aid (budgeted at \$29.7 million in fiscal year 1998) and Community Corrections (budgeted at \$29.9 million in fiscal year 1998).

means that the Commission remains unable to detect the questionable expenditures that the State Auditor found two years ago.

In general, recommendations in audit reports do not guarantee that problems will be solved completely. However, once the problems have been identified, it is the agency's responsibility to ensure that the problems are addressed. Our review found that most of the problems identified in earlier reviews have not been corrected.

Appendix 2 lists the issues identified in earlier reports. Appendix 3 contains more detail about current deficiencies in the monitoring process.

Recommendation:

The Commission should address the problems identified in prior reports. Specific recommendations are listed in Appendix 2.

Management's responses to specific recommendations are in Appendix 2.

Section 1-B:

**Develop More Responses to Noncompliance**

The Commission lacks measured responses to address noncompliance with standards and reporting requirements. The only statutorily defined response that the Commission has is the threat of withholding funds in a subsequent year. It has been understandably reluctant to use this drastic response for noncompliance with standards that may not critically affect services. As a result, the Commission does not have an effective mechanism to encourage compliance. For example, our review of requests for waivers found that the Commission granted all but 1 of 55 requested. The local department that was denied a waiver was already operating under a waiver for the same compliance issue. The Commission said it would consider granting another waiver once the one in place expired.

The problem of limited responses to compliance issues was raised in a recent Sunset review. However, the Commission has yet to address the problem.

Recommendation:

The Commission should ensure that there are significant but appropriate consequences for not complying with its standards. The Commission should implement measured responses such as making a local department's eligibility to receive any new funding contingent on its compliance with the Commission's standards and requirements. Other measured responses should also be implemented so that there are feasible penalties and incentives for compliance with the Commission's standards.



Management's Response:

Management concurs that significant but appropriate measured responses and consequences for standards non-compliance are necessary and the agency believes that adequate tools and statutory remedies currently exist to deal with non-compliances. Present responses include the following:

- Provision of technical assistance for on site correction;
- Explanation of potential liability for non-compliance;
- Waiver process (requirement of a timed plan for corrective action);
- Denial of contract for state funding;
- Refusal, reduction or suspension of state funding.

At any point in the above application of responses a formal appeal to the TJPC board is an option for the county.

To date, TJPC has been able to enforce compliance without resorting to permanent withholding of funds. State funds comprise approximately 30% of all juvenile probation funding and contracting for use of state funds is voluntary at the local level. Consequently, the threat of financial sanctions has varying degrees of effectiveness according to a county's dependence on state funding. TJPC will continue to explore alternative incentives and/or positive rewards for compliance, including the grading of departments' compliance in comparison with that of other departments.

Auditor's Follow-up Comment:

Management's response indicates that the Commission does not intend to implement this recommendation. In accordance with Government Code 321.014(g), the Commission will need to file a report identifying the recommendation and stating the reason for not implementing it.

**Current Monitoring Process**

Currently, the Commission's eight monitors visit all 168 local departments every year. During these visits, they:

- Provide technical assistance.
- Discuss department compliance with standards.
- Review a sample of contracts to ensure that required elements are present.
- Review a sample of case files to ensure that the appropriate level of care has been assigned.

If the county has a pre- or post-adjudication facility, it is also inspected.

Fiscal monitoring is generally limited to a desk review of the annual independent audits required of each local department. The person responsible for these desk reviews is from the Commission's fiscal staff, not its monitoring staff.

Section 1-C:

**Focus Monitoring Through a Risk Assessment Process**

The Commission does not use a risk assessment methodology as required by statute. As of September 1, 1997, the Commission's enabling statute requires it to monitor compliance with financial and performance requirements using a risk assessment methodology. However, the Commission does not adjust the timing of its monitoring visits to ensure that higher-risk local departments are visited more frequently. In addition, the

Commission does not vary the nature or extent of the monitoring procedures to focus on higher-risk elements within each department.

The Commission developed a risk assessment process that considers financial data, compliance history, and performance data. However, the Commission has not used the risk assessment to determine the nature, timing, and extent of monitoring at each local department. Instead, site visits are scheduled based on how much time has elapsed since the last audit or on logistical factors.

Similarly, the Commission does not use risk to prioritize its review of local departments' financial audits. For example, we asked Commission staff members to identify ten departments that they knew to be high risk. As of early June (nine months into the fiscal year), only four of these had received their annual monitoring visit for fiscal year 1998, and the independent audits had not been reviewed for nine of the ten local departments.

To identify local departments that require on-site monitoring, the Commission should add additional components to its current model. These components might include:

- Turnover among key local department staff members, especially the chief juvenile probation officer of the local department
- Resolution of internal control weaknesses identified in independent audits
- Opening of new facilities
- Timeliness and accuracy of statistical and financial reports submitted to the Commission
- Program success rates
- Length of time since last site visit (not to exceed three or four years)
- Quality of documented and tested controls in place at the local department
- Level of involvement of the county auditor

#### Statutory Requirements

We believe that it is within the Commission's current statutory authority to focus its monitoring activity through risk assessment. The Commission has been operating under the assumption that it is required to visit each department annually. Statute (Human Resources Code, Section 141.042[d]) does require the Commission to "annually inspect" all pre-adjudication secure detention facilities and all post-adjudication secure correctional facilities. (There are between 50 and 60 of these in the State.) However, we did not find a statutory requirement that the Commission visit each juvenile probation department annually.

As the Commission increases the scope of its monitoring, it may no longer be feasible to monitor every site annually or perform the same tests everywhere. The Commission's risk assessment was a good first step at prioritizing monitoring efforts. However, the model was limited in that it only addressed what sites to visit and not the focus of monitoring efforts at the site.

The focus of monitoring should be to ensure that each local department is spending state funds on the appropriate services; that the data reported is accurate, timely, and reliable; and that prior findings have been resolved. To do this, it would not be

necessary to monitor the same things at each local department. Possible areas for review include how the local departments:

- Accumulate and report statistical information to the Commission.
- Resolve internal control weaknesses identified in independent audits.
- Select and negotiate rates with service providers.
- Ensure quality services from subcontractors.
- Determine if they are successfully delivering services. (The Commission could review the local departments' use of initial needs assessments, compliance with the individual case management plans, and recidivism rates.)

The Commission could also share its risk assessment criteria with the local departments so that they could choose to implement changes that would reduce their audit risk.

Recommendation:

The Commission should complete and implement its risk-based approach to determine which local departments need to be visited each year and to determine which standards and program elements to review during visits.

The Commission may also need to develop specialized training to help program monitors review high-risk issues. These are likely to be issues that the Commission has never monitored before, such as verifying information in local departments' caseload management systems and ensuring that local departments are appropriately monitoring their subcontractors.

In addition, the Commission will need to ensure that the monitoring team develops some level of financial expertise.

Management's Response:

*Management concurs with this recommendation. The recommendations of the independent review published in June of 1998 prompted TJPC to revise our previous risk assessment and incorporate many of the variables used for informal risk assessment in past years. This has been done and it will become an integral part of the monitoring process for fiscal year 1999. Further refinement of the monitoring process will include a risk assessment of standards and program elements to be examined. It will be used in conjunction with the departmental risk assessment. This will provide monitors a means to prioritize who as well as what will be monitored. Monitors will be instructed on the various financial aspects of monitoring as incorporated in the process for fiscal year 1999.*

Section 1-D:

**Strengthen Fiscal Review**

The Commission's Fiscal Division has improved its oversight process in recent years. It reviews local departments' annual independent audits, reviews departmental

budgets, and oversees non-contractual payments to local departments. We noted the following opportunities for improvement.

**Budgets are not reviewed for reasonableness.** Most of the money that the Commission provides to local departments is governed by contracts, and these contracts include the budgeted amounts for salaries, travel, operating expenses, and services. The Commission does not have formalized procedures for determining whether the budgeted amounts are reasonable. The Contract Specialist reviews all 700 budget applications during a two-month period. Commission staff members indicate that the contract budgets are reviewed for completeness and reasonableness as well as mathematical accuracy, but there is no documentation or procedures to support that assertion.

By not formally assessing the reasonableness of the budget, the Commission loses a vital performance measurement tool, as well as an important accountability tool. Budgets are statements of expected results and are an important link between the planning process and the performance measurement process. During implementation of programs and services, the budget provides basis for comparing anticipated results to actual outcomes.

**Independent audits are not reviewed promptly.** The Commission attempts to review each independent audit before the next one is due. (For example, the audits for the fiscal year ending August 31, 1997, were due on February 28, 1998, but may not be reviewed before February 1999.) This affects the time frame in which the Commission can collect refunds from the local departments. In addition, it means that the most current information on local departments with prior year refunds or audit findings is not available for use in the Commission's risk assessment process.

Each year, the local juvenile probation departments are required to have an independent audit performed on the funds that they receive under contracts from the State. Local funds are not included in this audit. The Commission reviews these reports to ensure that:

- The audit report covers the contract period.
- Local match requirements are met.
- The report attests to the assurances in the contract.
- Variances between reported and audited expenditures have been noted. (The Commission reclaims amounts that are recognized as exceptions in the audit.)

As of June 3, 1998, the Commission had reviewed only 8 of the 168 local departments' fiscal year 1997 audits. These audits were due on February 28, 1998.

Currently, financial audit findings are used primarily to determine the amount of reimbursement due to the Commission. They also attest to compliance with requirements. Unless the reviews are timely, the results of the reviews cannot be used to prioritize monitoring visits or to focus the monitoring as recommended in Section 1-C.

The Commission does not use the results of audits on departmental internal controls to adjust departmental risk. While the audit review checklist has helped ensure that the Commission receives refunds, no mechanisms exist to ensure that the Commission is informed when internal control findings are resolved. The Commission lacks policies and procedures for following up on these types of issues. According to the Fiscal Division, these types of findings might result in a call or management letter to the local department. However, the local departments are not required to respond. According to the Commission, it has no control over the local departments' internal controls. This lack of control and follow-through on internal control weaknesses could result in the inefficient and ineffective use of state funds.

Recommendation:

- The Commission should develop a formalized system to assess the reasonableness of budget categories. This may include tracking actual expenditures by county for comparison with budget requests.
- In addition, the Commission should develop a formalized system for prioritizing the financial audit reviews. The Commission should review the audits of local departments that owed refunds or had internal control weaknesses the year before in time for the current information to be considered in the next year's risk assessment.
- The Commission should also implement a process to ensure that findings from the independent audits are used in the risk assessment process and tracked so that the Commission is notified when they are resolved.

Management's Response:

- *We concur with this recommendation, and TJPC does review all budgets for general reasonableness and correctness at this time. In our current review, we have access to the TJPC funded budgets and the budget of local funds. As a result, we have a view of the big picture. At this time, our review is not formalized. TJPC staff will develop a formalized procedure for assessing the reasonableness and completeness of budgeted items.*
- *We concur with this finding. Due to the timing of the receipt of the audits from the field it is difficult to use the information obtained from the audit in the monitoring risk assessment until the beginning of the following fiscal year. However, we are doing all we can to make the reviews more timely. The accounting section has been reorganized so that one person will have more time available around February 28th when the audits arrive. In addition, any audit that owes a refund or any findings of internal control weaknesses in the previous year will be fast-tracked for review in the next year.*

*TJPC staff is also studying the option of making the audits due 90 days after the end of the county's fiscal year rather than February 28th. This change*

*will allow us to receive the bulk of the audits earlier so the results can be included in risk assessments in a more timely manner.*

- *Any audit findings which result in refunds being due to TJPC are acted on immediately and the funds in question are returned to the state as soon as possible. Likewise, an independent C.P.A who audits TJPC contracts must respond to seventeen financial and compliance assurances. Any deviations regarding these assurances are responded to immediately by TJPC staff and must be rectified by local personnel.*

*Counties supply almost 70% of total funding for probation services in Texas. Financial personnel that account for all (county and state) funds are county employees. As a result, local internal control problems are extremely difficult to resolve at the state level. The authority to require or enforce resolution of internal control issues in juvenile probation departments rests with the local juvenile board.*

Auditor's Follow-up Comment:

Management's response indicates that the Commission does not intend to implement our recommendation to consider independent audit findings in its risk assessment process. In accordance with Government Code 321.014(g), the Commission will need to file a report identifying the recommendation and stating the reason for not implementing the recommendation.

Section 2:

## Verify Data Collected by the Local Departments

The Commission relies on the local departments to provide accurate and reliable data. It does not verify the data submitted or reconcile it to other data, and it does not help departments improve their systems.

As a result, 8 of the Commission's 12 key performance measures rely on data that may be inaccurate. The Case Management Information System (which includes data supplied by the CASEWORKER system) is not controlled sufficiently to ensure that the data it produces is reliable. Information aggregated from the local departments is used to calculate eight of the Commission's key performance measures. Of the remaining four key measures, data for one is generated by the Texas Youth Commission and three relate to the status of construction projects. Currently, the State Auditor's Office would not be able to certify the eight measures that rely on data aggregated from the Case Management Information System.

One of the Commission's functions is to provide information that describes the results of its operations and the effectiveness of probation services in Texas (Human Resources Code, Section 141.0421). Information from the Case Management Information System is used to calculate the statewide success rate for juvenile

probation services, and it is also provided to other agencies and to legislative oversight entities.

Information from the Case Management Information System is not reliable for the following reasons:

- **Errors are unlikely to be detected.** Because the Commission does not test the accuracy of the data reported and does not require that local departments reconcile aggregated data to case data, there is no way to detect and correct errors entered into the system. The Commission staff members say that when Commission monitors find that the information system does not agree with the case file, they look at the court order and documents in the case files. Our observation of two monitoring visits did not support that this is always done. It was done at one of the visits, but not the other.
- **CASEWORKER is not structured to promote password security.** Currently, system administrators in local departments have access to users' passwords. The system administrator enters users' passwords in the system instead of the users, and the individual passwords print on user profile reports. In addition, CASEWORKER does not include a system prompt requiring users to change their passwords. (The manual suggests that the system administrator change users' passwords twice each year.) This suggests that even if an individual department wanted to encourage good access controls, CASEWORKER would make it difficult.

When properly managed, passwords improve the likelihood that a user's access can be controlled effectively. Guidance provided by the Department of Information Resources indicates that a password should only be known to the user.

Recommendation:

The Commission must take steps to ensure that the data that feeds its performance measures is accurate and reliable. This includes ensuring that there is sufficient guidance on how to address problems that are likely to recur and that steps are taken to prevent and detect errors. Specifically:

- The Commission should test a sample of the aggregate numbers reported by the local departments to ensure that these numbers are accurate.
- The next version of CASEWORKER should support better access controls. Passwords should be encrypted so that no one knows them but the user.

Management's Response:

*TJPC agrees with the recommendation that an assurance should be made that the aggregate data collected by the agency is accurate and correct. This process would*

entail taking a random sample of counties, traveling to each sample site, and reviewing supporting documentation corresponding to each data element. In essence, the local juvenile probation management information systems will need to be audited for adequate supporting documentation to the statistics reported to TJPC. For local jurisdictions whose data management systems fail to produce acceptable levels of accurate data, technical assistance would be necessary to bring their operations into compliance with data management standards. Starting January 1, 1999, TJPC will be able to randomly select data elements within any given jurisdiction, provide a listing of the types of documentation needed to support each selected data element, and request the jurisdiction to submit the documentation to TJPC. Currently, TJPC can randomly select representative data elements entered into CASEWORKER by local departments, and monitor for the existence of acceptable supporting documentation to substantiate the information reported to TJPC.

The CASEWORKER software developed by TJPC is used by a majority of the juvenile probation departments in Texas; however, TJPC does not mandate its use. In fact, one of the largest counties (Harris) does not currently use CASEWORKER and relies on the internal Harris County data system. Currently, TJPC has plans to rewrite the CASEWORKER application beginning in fiscal year 2000 with an estimated completion date of June 2001. TJPC will include the State Auditor's recommendation to increase password security by implementing password encryption. Additionally, TJPC will include controls that require the users to change their passwords every 60 days.

Section 3:

### Structure of Bond Issuance Limited the Commission's Control Over Construction Projects

The Commission cannot prevent delays in the county construction projects funded by \$37.5 million in bond proceeds. Funds for these projects were distributed as state

grants, and as a result, the money is no longer controlled by the State.

Table 1

Status of Construction Projects as of August 1998			
	Number of Beds	Commission Grant	Total Project Costs
Completed (6)	396	\$13,912,292	\$25,033,596
In Construction (8)	423	\$14,423,170	\$20,292,032
Not Started (5)	276	\$10,164,538	\$16,922,673
<b>TOTAL</b>	<b>1,095</b>	<b>\$38,500,000<sup>a</sup></b>	<b>\$62,248,301</b>

Source: Status Report as of August 31, 1998, and original contracts.  
<sup>a</sup> The difference between this amount and the \$37.5 million appropriated is due to projected interest earned by the local departments after the grants were disbursed. The Commission has projected the amount of interest accrued by the local departments and reported that amount as part of the state grant.

In fiscal year 1995, the Legislature appropriated \$37.5 million in bond proceeds to the Commission to fund the acquisition of local post-adjudication facilities. (See Table 1 for a summary of the status of the construction projects.) Half the money was to go to the seven most populous counties; no county was to receive more than \$4 million of the bond money; and counties were to match state



funds. The Texas Department of Criminal Justice was to manage the projects for the Commission.

Six of the seven most populous counties applied for a share of this money. (Tarrant County did not apply.) The remaining money was distributed to 13 other counties. The Commission required that all counties provide cash, land, or property equal to at least 25 percent of the grant. This appears to be consistent with provisions in the General Appropriations Act, 74th Legislature (Agency Rider No. 13), and in the Human Resources Code (Section 141.086).

The Commission distributed bond proceeds to counties as state grants to take advantage of federal rules on arbitrage. This distribution was consistent with the Commission's contract with the Texas Public Finance Authority. The contract required the Commission to distribute the proceeds as grants and to "avoid or mitigate the obligation to make payments to the United States government" for arbitrage rebates.

Federal rules consider grants to be expended when they are disbursed to the counties, and as a result, counties can earn interest on the grant funds without having to pay arbitrage rebates to the federal government. However, treating the money as grants has also limited the Commission's authority over the projects. The arrangement granted the counties full responsibility for planning and constructing the projects but relegated the State's role to general oversight.

The limitations on oversight have affected the State's ability to ensure that projects are completed. For example, the Texas Department of Criminal Justice has authority and responsibility to review change orders and to conduct site visits, but it has no authority to approve or deny change orders. It can only report what it discovers at site visits.

The status of the construction projects is detailed in Tables 2 through 4. The Commission anticipates that all projects will be complete by the end of 1999.

Table 2

Completed Projects				
County	Number of Beds <sup>a</sup>	Commission Grant	Total Project Costs	Date Completed
Bexar	96 <sup>b</sup>	\$4,000,000	\$11,854,703	September 1997
Colorado	100	2,550,000	3,220,000	March 1998
Dallas	96	3,600,000	4,500,000	August 1998
Denton	48	1,800,000	2,894,350	March 1998
Grayson	40	1,500,000	1,981,486	December 1997
Randall	16	462,292	583,057	May 1998
<b>Total</b>	<b>396</b>	<b>\$13,912,292</b>	<b>\$25,033,596</b>	

Source: Status Report as of August 31, 1998, and original contracts.

Notes:

<sup>a</sup> List includes the number of beds in the original contract. This may not be the number actually built.

<sup>b</sup> Bexar County facility has 12 additional beds for medical and security staff for a total of 108 beds.

Table 3

Projects In Construction					
County	Number of Beds <sup>a</sup>	Commission Grant	Total Projected Costs	Comments (per status report)	Projected Finish Date
Cameron	32	\$1,200,000	\$1,216,200 <sup>b,c</sup>	Notice to proceed granted 5/98	May 1999
El Paso	54	2,000,000	2,356,762 <sup>b</sup>	Notice to proceed granted 7/98	August 1999
Gregg	40	1,500,000	1,985,000 <sup>c</sup>		February 1999
Harris	144	3,974,170	4,238,170 <sup>d</sup>	Notice to proceed granted 6/97; behind schedule; awaiting kitchen completion	July 1998
Harrison	24	900,000	1,276,000 <sup>d</sup>	Behind schedule	July 1998
Nueces	85	3,200,000	5,839,000	Pending change orders may delay completion date to 6/99	April 1999
Taylor	36	1,350,000	3,081,900 <sup>d</sup>		September 1998
Van Zandt	8	299,000	299,000 <sup>b,c,d</sup>		August 1998
<b>TOTAL</b>	<b>423</b>	<b>\$14,423,170</b>	<b>\$20,292,032</b>		

Source: Status Report as of August 31, 1998, and original contracts.

Notes:

- <sup>a</sup> List includes the number of beds in the original contract. This may not be the number actually built.
- <sup>b</sup> The county contributed land or property to make up the rest of the match. These contributions are not included in the total costs.
- <sup>c</sup> Over 50 percent of the local match came from donations of land, property, utility extensions, or in-kind contributions.
- <sup>d</sup> According to the Commission, these four facilities were open as of mid-October 1998.

Table 4

Projects Not Started					
County	Number of Beds <sup>a</sup>	Commission Grant	Total Projected Costs	Project Status	Projected Finish Date
Duval	48	\$1,800,000	\$3,000,000	Contract returned/executed	To be determined
Hidalgo	40	1,500,000	1,548,300 <sup>b, c</sup>	Redesigning site	To be determined
Lubbock	40 to 48	1,500,000	1,875,000 <sup>c</sup>	Project put on hold	To be determined
Tom Green	48	1,800,000	2,050,000 <sup>b</sup>	Plans submitted on 5/18/98	To be determined
Travis	100	3,564,538	8,449,373	Redesigning site	To be determined
<b>TOTALS</b>	<b>276</b>	<b>10,164,538</b>	<b>\$16,922,673</b>		

Source: Status Report as of August 31, 1998, and original contracts.

Notes:

- <sup>a</sup> List includes the number of beds in the original contract. This may not be the number actually built.
- <sup>b</sup> The county contributed land or property to make up the rest of the match. These contributions are not included in the total costs.
- <sup>c</sup> Over 50 percent of the local match came from donations of land, property, utility extensions, or in-kind contributions.

Management's Response:

*TJPC distributed the bond proceeds as grants to provide counties with the flexibility to design juvenile post-adjudication facilities that would meet local needs. The counties are responsible for design, construction and operation of these facilities and the state, through TJPC and TDCJ, provides technical assistance and general oversight of the projects.*

*Awarding the funding in the form of grants has allowed TJPC to conserve funding to permit construction of over 100 additional beds and an additional project in Duval County for a total of 19 projects. As of November, 3, 1998, there are 10 facilities operational with a total capacity of 620 beds. Of the remaining 9 projects, 5 are under construction (El Paso, Cameron, Gregg, Nueces, Tom Green,) and 4 are in the process of design or bidding (Duval, Hidalgo, Lubbock, Travis).*

*Many of the projects involved substantially more local funds than state funds. Because of this, several of the projects underwent redesign, expansion, or modification early on which contributed to the construction delays. Duval County was the 19th project and received their grant considerably later than the other 18 projects, which explains their delay in construction. Lubbock County held a bond*

*election locally which failed; thus, the county had to develop a contingency plan that has been done and the project is progressing. Hidalgo County has had the architectural firm selecting the construction advisory committee rejected by Commissioner's Court on two occasions, and the selection process continues.*

## Objectives, Scope, and Methodology

### Objectives

The primary objectives of this audit were to:

- Determine if the Commission actively manages its contracts with local juvenile probation departments.
- Ensure that the Commission's tracking and caseload management system provides timely and reliable information.
- Determine the status of construction projects and evaluate the effectiveness of controls over these projects.

### Scope

The scope of this audit included consideration of the Commission's controls over its contracts with the local juvenile probation departments and its information management systems. We also reviewed information necessary to provide a status report on the progress of the Commission's construction projects.

Consideration of the Commission's contracts included reviewing and testing the processes for:

- Reviewing budgets associated with contracts
- Determining the nature, timing, and extent of program monitoring and fiscal review
- Ensuring that local departments comply with their contracts with the Commission
- Ensuring that data is timely and reliable

Consideration of the construction process included review and analysis of documents.

### Methodology

Information collected included the following:

- Interviews with the Commission staff and local juvenile probation department staff

- Documentary evidence such as:
  - Minutes of Commission board meetings
  - Various reports generated by Commission information systems
  - Commission strategic plans, operating budgets, newsletters, policies, procedures, and instruction manuals
  - Independent audits of the local juvenile probation departments
  - Contracts and reports provided by the Commission, the Department of Criminal Justice, and the Public Finance Authority related to the award and status of contracts for construction of post-adjudication centers

Procedures and tests conducted:

- Review and analysis of contract, fiscal, and program monitoring files,
- Observation of training performed by the Commission for the local departments
- Observation of program monitoring at two local departments

Criteria used:

- State Auditor's Office Accountability Project Methodology general and specific criteria
- Texas statutes and Administrative Code
- General Appropriations Acts, 74th and 75th Legislatures
- Local department plans, policies, and procedures
- Standards and guidelines developed by the Department of Information Resources
- Federal rules related to arbitrage

### Other Information

Fieldwork was conducted from June 1998 to July 1998. The audit was conducted in accordance with generally accepted government auditing standards.

The following members of the State Auditor's Office performed the audit work:

- Rachel Cohen, CPA (Project Manager)
- Thomas M. Brannom, CPA
- Virginia D. Riley, MBA
- Rachelle D. Sanchez, MPA
- Sandra H. Vice, MPA
- Dennis D. O'Neal, CIA (Quality Control Reviewer)
- Charles R. Hrcir, CPA (Audit Manager)
- Deborah L. Kerr, Ph.D. (Audit Director)

## Status of Prior Recommendations

The State Auditor’s Office reviewed the contract management process at the Commission in September 1996 in *An Audit Report on Contract Administration at Selected State Agencies – Phase Four* (SAO Report No. 97-002). In addition, the Sunset Advisory Commission (Sunset) reviewed the Commission in 1996. As part of this management control audit, we determined the status of outstanding State Auditor recommendations. In accordance with Government Code Section 325.012 (b), we also determined the status of the Sunset Advisory Commission’s “Recommendations for Management Action.”

<b>Issue:</b>	Sunset Recommendation: <b>PARTIALLY IMPLEMENTED</b>
The Commission has identified only one way to sanction juvenile probation departments—withholding all state funds. However, this extreme sanction has never been used, and may not be appropriate for all identified infractions.	
<b>Original Recommendation</b>	<b>Current Status</b>
The Commission should explore ways to provide financial incentives to counties who meet or exceed standards.	The Commission has established a reward system for counties that commit fewer juveniles to the Texas Youth Commission than their performance targets.
<b>What’s Left to Do:</b>	
The Commission still needs to develop measured responses to noncompliance. See Section 1-B of this report for additional discussion, our recommendations, and management’s response.	

<b>Issue:</b>	Sunset Recommendation: <b>NOT IMPLEMENTED</b>
Instead of assessing how successful a department is in meeting the needs of the community and youth on probation, Commission staff evaluate local departments’ compliance with minimum standards which do not measure performance above certain basic requirements.	
<b>Original Recommendation</b>	<b>Current Status</b>
The Commission should work with local boards to develop pilot projects that set primary performance goals for contractors and provide financial incentives for meeting and exceeding goals.	The Commission has begun training local departments on how to develop performance goals. For fiscal year 1998, local departments are only required to set performance goals for some of the programs. The Commission does not currently require local departments to track outputs or outcomes.  The Commission did not pilot the concept as Sunset recommended.



<u>Issue: (continued)</u>	Sunset Recommendation:	NOT IMPLEMENTED
<p><u>What's Left to Do:</u></p> <p>Juvenile probation departments still need to:</p> <ul style="list-style-type: none"> <li>• Develop performance goals, outcomes, and outputs.</li> <li>• Measure performance.</li> <li>• Report performance.</li> </ul> <p>The Commission and local departments still need to:</p> <ul style="list-style-type: none"> <li>• Assess how successful a department is in meeting the needs of the community and youth on probation.</li> <li>• Develop a pilot project whereby subcontractors would set performance goals and be paid at a rate that rewards them for meeting or exceeding those goals.</li> </ul>		

Recommendation:

The Commission should measure the quality of probation services, and describe the effectiveness of these services. To achieve this, the Commission must:

- Develop performance goals, outcomes, and outputs to measure the degree to which the needs of the juveniles referred to local department are met.
- Use these measures to determine and report the local departments' performance.
- Apply these results to assess how successfully each local juvenile probation department is meeting the needs of its community.

Management's Response:

*TJPC concurs with this recommendation and is committed to assisting local probation departments in meeting the needs of the children and communities they serve. TJPC contracts and provides funding to 168 juvenile probation departments. State funding through TJPC accounts for approximately 30 percent of the total juvenile justice budget statewide; local counties provide the remaining 70 percent of funding. TJPC has implemented numerous steps to ensure probation departments spend state funds in the most efficient and effective manner possible and are held accountable for results.*

*TJPC began initial implementation of performance measures and other statutory requirements contained in the agency's 1997 sunset legislation in fiscal year 1998. The procedures have been refined and enhanced for fiscal year 1999 and there are three levels of performance accountability built into the State Financial Assistance Contract:*

- Overall Performance Measures. Each probation department is required to meet six overall performance measures for progressive sanctions Levels 1 through 6 (i.e., minimum rates of successful completion).
- Individual Program Plans. Each department must submit a program plan containing clearly defined program goals, outputs and measurable outcomes for all programs operated by the probation department that are funded in whole or in part with state funds.
- Service Provider Accountability. Each department is required to hold service providers paid with state funds accountable for the delivery of quality services. TJPC requires departments to contractually ensure that service providers are held to clearly defined goals, outputs, and measurable outcomes. Further, each service provider contract must contain appropriate sanctions and penalties for noncompliance with the contract. Probation departments are required to monitor their service provider contracts for compliance.

*TJPC will continue to refine and enhance our procedures to measure the effectiveness and quality of probation services by ensuring each local department is in compliance with all standards and contractual responsibilities through the use of TJPC's monitoring tools.*

*TJPC has not implemented a pilot project with local juvenile boards to provide financial incentives to service providers meeting and exceeding goals. TJPC has encouraged local juvenile boards and probation departments through extensive training to be creative in developing their performance measures for subcontractors and in the monitoring of compliance. Ideas such as financial incentives for good performance are methods the counties can currently implement if appropriate and efficient. TJPC's primary focus during fiscal years 1998-99 has been to ensure all probation departments are well-trained and experienced at developing solid performance measures, goals, outcomes and outputs for their programs and their service provider contracts. Once this critical first step is successfully implemented, pilot projects such as that recommended by the Sunset report will be more feasible and effective, and TJPC will begin to implement such pilot projects.*

<b>Issue:</b>	State Auditor Recommendation: <b>PARTIALLY IMPLEMENTED</b>
The adequacy of contract administration controls diminishes as the Commission funds flow from juvenile probation departments to subcontractors providing services to juveniles.	
<b>Original Recommendation</b>	<b>Current Status</b>
Contractually require juvenile probation departments to (1) institute financial controls over subcontractors, including specific contract elements, (2) conduct regular financial monitoring of subcontractors, and (3) impose sanctions on subcontractors that do not comply with their contracts.	<p>The Commission requires local departments to include the three recommended provisions in their contracts with subcontractors. The Commission requires this language only for service provider contracts "with any funds received from TJPC." No requirements for contracts for programs or services paid for with local funds exist. The Commission reviews a sample of contracts annually to verify that they include the specified provisions.</p> <p>However, the Commission relies on verbal verification to ensure that local departments are conducting regular financial monitoring of subcontractors. The Commission does not conduct any testing to ensure that local departments are complying with this requirement.</p>
<b>What's Left to Do:</b> The Commission still needs to ensure that local juvenile probation departments monitor subcontractors to ensure that they are adhering to the terms of their contracts.	

**Recommendation:**

The Commission should:

- Continue to provide guidance to the local departments on how to monitor subcontractors for fiscal problems.
- Ensure that local departments conduct appropriate reviews (program and fiscal) of their service providers. This could be done during regular monitoring by reviewing the local departments' documentation of these reviews. This documentation should provide evidence that the local departments monitor the right things at appropriate intervals.
- Participate in monitoring subcontractors when there is a risk-based reason to believe that this form of technical assistance would be useful. (For example, the Commission should participate if it determined that a local department is not monitoring at a level consistent with the assessed risk, if monitoring staff members at a local department are new to monitoring, or if a local department requested assistance.)
- Work with the local departments to ensure that they have adequate measured responses to use as sanctions with those subcontractors not in compliance with the contract requirements.

Management's Response:

*TJPC concurs with this recommendation. TJPC will continue to provide and develop more technical assistance, training, and guidance to local departments to ensure that they conduct appropriate reviews of their service providers and implement sanctions for those sub-contractors not in compliance.*

*In addition, TJPC has developed the "Sub-Contractor Monitoring Tool" for the probation department's use in monitoring their sub-contractors in fiscal year 1999. In each county monitored during fiscal year 1999, a sample of completed Subcontractor Monitoring Tools will be reviewed by the TJPC monitoring staff. A copy of the tool will be retained in the TJPC department's monitoring files, thus providing written documentation and evidence that the department's monitoring of sub-contractors is appropriate.*

*Although TJPC's role of ensuring departmental accountability in this area is limited to monitoring, education, and technical assistance, this process will be enhanced to ensure compliance with the State Auditor's Office recommendation.*

<u>Issue:</u>	State Auditor Recommendation: <b>PARTIALLY IMPLEMENTED</b>
Certain aspects of the Commission's program monitoring could be strengthened.	
<b>Original Recommendation</b>	<b>Current Status</b>
<p>Improve documentation and review processes.</p> <p>Formalize risk assessment.</p> <p>Develop independence forms.</p>	<p>The Director of Program Services signs off on each report. However, file documentation is insufficient to ensure that the right things are reported.</p> <p>Documentation has been "streamlined" since this report came out. As a result, supervisory review cannot determine whether all significant issues are reported.</p> <p>A risk assessment was developed, but has never been used.</p> <p>Independence forms were developed and are used.</p>
<p><u>What's Left to Do:</u></p> <p>Documentation still needs improvement. Files do not always include correspondence between the Commission and the local departments showing planned corrective action. In addition, we found that monitoring checklists were incomplete or missing, and monitoring files do not include documentation to support the monitors' conclusions.</p> <p>See Appendix 3 for additional discussion.</p>	

Recommendation:

The Commission should improve the documentation of its monitoring. The files should include:

- Documentation of all communication associated with findings from monitoring and from annual independent audits
- The monitoring checklists that support the report, completed by the monitor and reviewed by a supervisor
- Adequate support for any waivers applied for or granted
- Sufficient evidence in the working papers to support the conclusions in the most recent report

Management's Response:

*TJPC concurs with this recommendation. Documentation of monitoring will improve in fiscal year 1999 as measures have been implemented that will rectify deficiencies. Monitoring tools have been redesigned to require adequate evidence for findings and support of monitoring conclusions. These new monitoring tools will be adjusted and refined during fiscal year 1999. Reassignment of staff duties will ensure that documentation, written communication, and all information is properly filed in a timely manner. In fiscal year 1999, the Director of Field Services will implement additional controls and review of the monitoring process and documentation in order to further strengthen program monitoring. A risk assessment procedure has been implemented and will be refined for fiscal year 1999.*

<b>Issue:</b>	State Auditor Recommendation: <b>PARTIALLY IMPLEMENTED</b>
There is no assurance that the Commission monitors the highest risk juvenile probation departments in years when not all departments are monitored.	
<b>Original Recommendation</b>	<b>Current Status</b>
Maintain more formal statistics on juvenile probation departments with a history of noncompliance with the Commission standards. This information should be used to perform risk assessments that would affect monitoring schedules	The Commission maintains a summary report on prior instances of noncompliance. This summary includes standards violations, but not violations of statute or contract provisions. This report is inaccurate and is not updated regularly. It does not include the "unscheduled visits" that the Commission initiated recently. In addition, the report is not used for risk assessment or determination of where to monitor.
<p><b><u>What's Left to Do:</u></b></p> <p>The Commission still needs to:</p> <ul style="list-style-type: none"> <li>• Ensure that the monitoring information system report is accurate and up-to-date, and use it to determine where to focus monitoring efforts at different local departments.</li> <li>• Focus its monitoring efforts to ensure that only important items are monitored and that monitoring is appropriately focused at each local department.</li> </ul> <p>Section 1-C of this report discusses risk assessment in more detail.</p>	

**Recommendation:**

The Commission should enhance its monitoring process to ensure that:

- It focuses its monitoring on significant standards (such as overcrowding and staff ratios) that affect the quality of services and that the local departments can control.
- There is consistent treatment of noncompliance.
- There is a system in place to ensure that findings are addressed. This includes ensuring that local juvenile probation departments respond appropriately to findings and that the Commission has a system in place to track these responses. The Commission's Monitoring Information System is a good start in developing this system. However, the system must be accurate and up-to-date in order to be useful.

**Management's Response:**

*TJPC concurs with the recommendation. The Monitoring Information System in use for several years was inadequate to provide formal statistics, address compliance exceptions, and track departments' responses. TJPC has developed a new information system for fiscal year 1999 that will provide the necessary accurate statistics and will be regularly updated and kept current by support personnel.*

*TJPC recognizes that greater scrutiny of significant standards that affect quality of services and programs is needed. Fiscal year 1999 monitoring tools have been developed that will focus on such issues.*

*TJPC concurs that agency treatment of non-compliance varies as TJPC deals with each non-compliance on a case-by-case basis. All non-compliance require: 1) department response with a plan of compliance and time line; or 2) department request for a waiver to non-compliance with plan of compliance and time line.*

*Upon receipt of the department's response, TJPC provides technical assistance to determine corrective action needed to achieve compliance. Technical assistance includes on-site visits, meeting with local officials, judges, and juvenile boards.*

*All findings of fiscal year 1999 non-compliances will be addressed and responses tracked through the new Monitoring Information System.*

<b>Issue:</b>	State Auditor Recommendation: <b>IMPLEMENTED</b>
The Commission needs to enhance its financial monitoring to avoid instances in which financial discrepancies at juvenile probation departments go undetected.	
<b>Original Recommendation</b>	<b>Current Status</b>
Document and formalize its financial monitoring process to reduce the number of financial discrepancies, which can currently go undetected.	The Commission has added the recommended items to monitoring checklists to ensure that they are consistently reviewed. In addition, the Commission has added regular signoff procedures for the review of financial audits.
<p><b>What's Left to Do:</b></p> <p>The audit recommendation was implemented. However, we identified some additional fiscal issues. See Section 1-C of the report for additional discussion, our recommendations, and management's responses.</p>	

## Detail on Program Monitoring

The Commission's program monitoring consists of on-site, annual visits to all local juvenile probation departments. During the site visit, the Commission reviews the department's compliance with Commission standards, reviews a sample of case files and contracts, and provides technical assistance. This review does not cover locally funded programs and services.

We identified the following problems with the current monitoring system:

- **Documentation is often missing from the monitoring files.** We reviewed the files of 12 local departments to determine whether they contain documentation on the status of issues identified in monitoring reports. We found that for 4 of the 13 issues, there was no response from the local departments. In addition, a checklist of standards applicable to the Juvenile Board was missing. According to procedures outlined in the *Resource Specialist Manual*, late notices are sent to the local departments if there is no response within 30 days. After 60 days, letters are to be sent to the Juvenile Board. Staff members said that this procedure is not always followed.

We also reviewed 27 monitoring files to determine the appropriateness of waivers, and found that documentation was often missing from the files. Commission staff members found some of this documentation since the files were brought to their attention. (See Table 5.)

Table 5

Missing Document	Number of Local Departments (of 27 tested)	Number of Issues (of 55 in the sample)
Waiver application	1	4
Response from the Commission	5	11
Both application and response	2	4
<b>Waiver applications not complete in files</b>	<b>8 29%</b>	<b>19 35%</b>

- **Noncompliance issues noted in the checklists are not always carried forward to the Monitoring Report.** We found instances where violations noted in the monitoring checklists had not been carried forward to the monitoring report, as well as instances where issues noted in the monitoring report were not documented in the checklists. In addition, there were times when the monitors did not document their findings well enough for a reviewer to determine whether there was a violation.

The Commission staff said that there are no established procedures for handling statutory noncompliance issues. Individual monitors decide whether to address issues of noncompliance by carrying it to the report or discussing it



with the local department. According to staff, many of the instances of noncompliance are beyond the control of the local department. The power to correct the situation lies with the county judge or the local juvenile board and is dependent on funds from the local juvenile board.

- **The Monitoring Information System Summary Report is not consistent with the monitoring files.** This report was developed to track outstanding findings from monitoring, but is not accurate or complete; consistent with the records; or used to determine the nature, timing, or extent of future site visits. In part, this is because it is not updated regularly.

The Monitoring Information System Summary Report was a good start in the development of a process to identify prior problems at the local departments. The Commission indicates that it has developed a new system to be used starting September 1, 1998, which will address the deficiencies that we found.

Either system would help the Commission identify high-risk departments, if the systems were accurate and timely. However, unless they are maintained with accurate and current data, the systems cannot be an effective management tool.

- **A local department could comply with all of the Commission's standards and still have poor programming.** The current monitoring process is focused on compliance with standards, which may or may not be requisites for good programs. Thus, the Commission does not have the time to ensure that all programs and services are having the desired effect on children.

Please see Appendix 2 for our recommendations associated with this section.

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