



AUDITOR GENERAL

WILLIAM O. MONROE, CPA



PAROLE COMMISSION

PERFORMANCE MEASURE REPORTING AND FOLLOW-UP ON PRIOR AUDIT FINDINGS

OPERATIONAL AUDIT

SUMMARY

This operational audit of the Parole Commission (Commission) for the period July 2005 through February 2007 focused on the Commission's actions related to calculating and reporting performance measure standards and results, processing travel expenditures, managing tangible personal property, and correcting the deficiencies disclosed in our prior audit (report No. 2006-026, dated September 2005).

With the exception of the following findings, our audit disclosed that for the controls and related transactions tested, the controls were operating effectively, the transactions were accurately recorded in applicable records, and the Commission demonstrated compliance with applicable significant laws, rules, and other guidelines.

Finding No. 1: In many instances, the Commission did not accurately or appropriately report performance measures and standards in its Long-Range Program Plan.

Finding No. 2: As similarly reported in audit report No. 2006-026, Commission procedures over tangible personal property need to be enhanced to ensure that assets are properly accounted for and managed.

BACKGROUND

The Commission is a constitutionally authorized decision-making body.¹ Since its establishment in 1941, the Commission has been responsible for determining what persons may be placed on parole (discretionary prison release), fixing the time and conditions of parole, determining whether a person has violated parole and taking action with respect to any such violation, and making any necessary investigations. Sentencing guidelines enacted in 1983 effectively abolished parole and, currently, only those offenders sentenced for crimes committed before October 1, 1983, and those sentenced for capital felony murder committed prior to May 25, 1994, or other capital felonies committed prior to October 1, 1995, are eligible for parole.

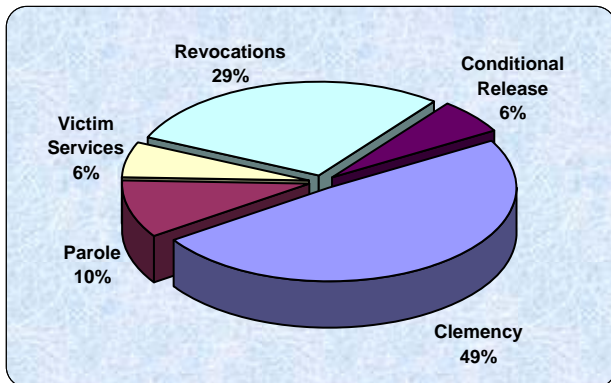
The Commission is also responsible for the administration of conditional release (mandatory postprison supervision for offenders of certain violent crimes), conditional medical release (discretionary release for inmates who are terminally ill or permanently incapacitated), control release (release for prison population management), and addiction

¹ The Commission is authorized by Article IV, Section 8(c) of the State Constitution and operates under the authority of Sections 20.32 and 947.13, Florida Statutes.

recovery supervision (mandatory postprison supervision for certain offenders with a history of substance abuse or addiction). The Commission’s administration of these releases includes establishing the terms and conditions of release, determining whether a person has violated the conditions of release, and taking action with respect to any such violation.

In addition to its responsibilities related to parole and prison release, the Commission serves as an investigative body that supports the Board of Executive Clemency (Clemency Board).² The Commission reports to the Clemency Board the circumstances; criminal records; and the social, physical, mental, and psychiatric conditions and histories of persons under consideration by the Board for pardon; commutation of sentence; or remission of fine, penalty, or forfeiture. As shown in Chart 1 below, during the 2005-06 fiscal year, clemency activities represented almost half of the Commission’s workload:

**Chart 1
Commission Workload for the
2005-06 Fiscal Year**



Source: Florida Parole Commission Annual Report 2005-06

On April 5, 2007, the Clemency Board approved changes to the Rules of Executive Clemency providing for the restoration of civil rights for certain offenders without a hearing. Under the revised rules, the Commission is responsible for reviewing each such

offender’s initial eligibility and determining the restoration level required.

The Commission is comprised of three members who are appointed by the Governor and Cabinet and confirmed by the Senate. For the 2006-07 fiscal year, the Legislature appropriated \$9.6 million in General Revenue funds and authorized 148 full-time equivalent positions for the Commission.

FINDINGS AND RECOMMENDATIONS

Performance Measure Reporting

Performance measurement is a critical element of accountability for public resources. Also referred to in the Florida Statutes as accountability measures, performance measures are quantitative or qualitative indicators used to assess State agency performance and serve not only as a budgeting tool but also as a policymaking tool and an accountability tool.³

The Legislature annually approves performance measures and standards that agencies use to demonstrate their performance. Pursuant to Sections 216.013 and 216.023(4), Florida Statutes, agencies are required to report the approved standards and actual results for these measures in their *Long-Range Program Plan (LRPP)* and *Legislative Budget Request (LBR)*.

The Commission’s legislatively approved performance measures and standards for the 2005-06 and 2006-07 fiscal years are shown in Table 1:

² The Board of Executive Clemency consists of the Governor and the Florida Cabinet.

³ Section 216.023(4)(b), Florida Statutes.

**Table 1
Commission Performance Measures and Standards Approved by the Legislature**

Measure	2005-06 Standard	2006-07 Standard
Parolees who have successfully completed their supervision without revocation within the first two years: Number	50	60
Parolees who have successfully completed their supervision without revocation within the first two years: Percentage	85.71%	85.00%
Percentage of revocation cases completed within 90 days after final hearing	99.99%	99.99%
Percent of cases placed before the Parole Commission/Clemency Board containing no factual errors	92.84%	98.00%
Number of conditional release cases handled	4,691	5,597
Number of revocation determinations	2,767	3,031
Number of clemency cases handled	50,970	45,000
Number of parole release decisions	1,573	1,374
Number of victims assisted	3,418	3,288

Source: Office of Program Policy Analysis and Government Accountability

Finding No. 1: Performance Measure Reporting

We reviewed the performance measure data reported in the Commission’s LBR for the 2007-08 fiscal year and LRPP for the 2007-08 through 2011-12 fiscal years to determine whether the data reported was supported by corroborating Commission records and calculations and that the Commission followed applicable laws and instructions for the development and reporting of performance measure data.⁴ According to the LBR and LRPP Instructions (both dated July 2006), the development of the LRPP is the beginning point in the planning and budget process, and the State’s integrated management system uses LRPPs to provide the framework and justification for agency budgets. The framework contained within each agency plan is to be directly linked to the agency budget and accountability structure.

Our review of the information supporting the actual results reported for the 2005-06 fiscal year performance measure standards in the LBR and LRPP disclosed that, overall, Commission controls over the

⁴ The Executive Office of the Governor, Office of Policy and Budget, annually issues instructions to agencies for the preparation of the LBR and LRPP. Agencies submit the LRPPs to the Office of Policy and Budget for preliminary review prior to posting on the agencies’ Web sites.

processes used to calculate actual performance measure results were effective. However, the Commission lacked sufficient controls, including those providing for an adequate supervisory review, over the preparation of the LRPP. Consequently, the Commission’s LRPP was not prepared in accordance with LRPP Instructions and some performance measure data were not accurately reported. Specifically, we noted that:

- For all nine measures, the Commission incorrectly reported on the LRPP Exhibit II: Performance Measures and Standards, in the column designated for the 2005-06 fiscal year approved standards, the 2004-05 fiscal year actual results rather than the 2005-06 fiscal year approved standards. As a consequence, the variances between the performance measure standards and the actual results for the 2005-06 fiscal year were not accurately reflected by the LRPP.
- Pursuant to the LRPP Instructions, an Exhibit III: Performance Measure Assessment is required when the fiscal year performance falls below the approved performance standard for that fiscal year. Although, as illustrated in Table 2, the Commission’s 2005-06 fiscal year performance did not meet the approved performance standard for six of the measures, the Commission prepared an Exhibit III for only two of the six measures. According to Commission management, the four Exhibit IIIs were not prepared due to an oversight.

**Table 2
Long-Range Program Plan
Performance Measure Standards
Not Met for the 2005-06 Fiscal Year**

Approved Measure (1)	2005-06 Approved Standard (1)	2005-06 Actual Results (2)	Exhibit III Prepared to Explain Variance?
Parolees who have successfully completed their supervision without revocation within the first two years: Number	50	40	No
Parolees who have successfully completed their supervision without revocation within the first two years: Percentage	85.71%	81.60%	No
Number of revocation determinations	2,767	2,713	Yes
Number of clemency cases handled	50,970	49,010	No
Number of parole release decisions	1,573	1,185	Yes
Number of victims assisted	3,418	3,332	No

Sources: (1) Office of Program Policy Analysis and Government Accountability
(2) Parole Commission LRPP

- On the *Exhibit III* for the “Number of revocation determinations” performance measure, the Commission incorrectly reported the 2004-05 fiscal year approved standard (2,973 determinations) instead of the 2005-06 fiscal year approved standard (2,767 determinations).
- The Commission incorrectly reported various items on the *LRPP Exhibit VI: Agency-Level Unit Cost Summary*. According to the *LRPP Instructions*, the information presented in *Exhibit VI* should be the same as that presented in *Schedule XI* of the *LBR*. However, while the Commission correctly reported information in the *LBR*, the Commission reported different and incorrect information in the *LRPP* for the “Total All Funds General Appropriations Act,” “Adjustments to General Appropriations Act,” “Unit Cost,” “Expenditures (Allocated),” and “Reversions” sections of *Exhibit VI*. In response to audit inquiry, Commission management indicated that the differences were due to the Commission’s inadvertent use of 2006-07 fiscal year estimated expenditures and to the use of manual rather than automated calculations when preparing the *LRPP*.

When performance measure information is not accurately reported in the *LRPP*, the usefulness of the *LRPP* as the framework and justification for the Commission’s budget may be diminished.

In addition to the *LRPP* errors described above, we also noted that in the *Trends and Conditions Statement* of the *LRPP*, the Commission incorrectly identified an effective date for parole eligibility. Specifically, the Commission reported that offenders sentenced for capital felony murder committed prior to October 1, 1994, were eligible for parole consideration. The correct date, pursuant to law,⁵ is May 25, 1994. Such an error further illustrates the need for a more diligent review of the *LRPP* prior to submission.

⁵ Chapter 94-228, Laws of Florida.

Recommendation: We recommend that the Commission establish and implement appropriate controls over the preparation of the *LRPP* to ensure that the information reported in the *LRPP* is accurate and correctly presented. Such controls should include, but not be limited to, adequate Commission management review prior to submitting the *LRPP* to the Executive Office of the Governor, Office of Policy and Budget.

Follow-Up on Prior Audit Findings

We performed procedures to follow-up on the audit findings included in report No. 2006-026. Our procedures disclosed that the Commission had generally taken appropriate corrective action and effectively resolved the prior audit findings. However, as discussed in Finding No. 2 below, enhancements were still needed in the Commission’s tangible personal property procedures.

Finding No. 2: Tangible Personal Property

As of June 30, 2006, Commission records reflected a total original cost of tangible personal property of approximately \$867,000. Pursuant to law,⁶ the Department of Corrections (DOC) is responsible for maintaining and updating Commission tangible personal property in the Florida Accounting Information Resource Subsystem (FLAIR) Property Subsystem. Notwithstanding this law, the Commission is the custodian of its property and must work closely with DOC to ensure that all Commission property is properly managed. The minimum standards necessary to adequately control, safeguard, and account for tangible personal property are established in law and rule.⁷ We noted the following

⁶ Chapter 2001-367, Laws of Florida.

⁷ Effective July 1, 2006, Sections 273.02, 273.025, and 273.055, Florida Statutes, require the Chief Financial Officer to establish rules related to the recording, reporting, and inventory of State-owned property and the maintenance of property disposition records. Chief Financial Officer Memorandum No. 2 (2006-07) requires agencies to continue to comply with the *Rules of the Auditor General* and the *Statewide Financial Statements Capital Asset Policy* promulgated pursuant to Comptroller Memorandum No. 1 (2001-02).

instances in which the Commission's compliance with those standards could be improved:

- Contrary to the *Statewide Financial Statements Capital Asset Policy*, the Commission did not ensure that applicable computer software items were recorded in the FLAIR Property Subsystem when acquired. Our test of Commission property acquisitions included two software items (acquired in October 2006 and December 2006) costing \$3,403 and \$19,210, respectively, that had not been recorded. Subsequent to audit inquiry, the Commission requested that DOC add the items to the FLAIR Property Subsystem. Audit report No. 2005-026 included a similar finding related to the recording of property acquisitions.
- During the audit period, the Commission disposed of 49 items with a total acquisition cost of \$132,675. Our test of 10 disposed items, acquired at a total cost of \$32,050, disclosed that the Commission did not always properly document the condition and disposition of surplus property. Specifically, for 6 of the 10 items tested with a total acquisition cost of \$22,752, we noted that:
 - For all 6 items, the condition recorded in the FLAIR Property Subsystem was not consistent with the condition indicated by the Commission on the *Disposition of Surplus* document. For example, for 3 items acquired during the 2002-03 fiscal year, the condition was listed as "new" in FLAIR, while the *Disposition of Surplus* documents showed the condition of 1 of the 3 items as "scrap" and the condition of the other 2 items as "fair."
 - For 2 of the 6 items (external memory storage devices costing \$2,961 each), although the *Disposition of Surplus* document indicated that the items had been transferred to another State agency, the document did not contain the signature of a representative of the agency receiving the items or the date the items were accepted.
 - For 4 of the 6 items, the "scrapped" method of disposition indicated by the Commission on the *Disposition of Surplus* document was not consistent with other information on the document that indicated that the items were

donated. In addition, for these 4 items, the *Disposition of Surplus* document did not reflect the date the donated item was accepted by the recipient and, for 2 of the items, the document did not contain the signature of a representative of the entity receiving the items.

Absent effective controls to ensure the proper management of tangible personal property, the risk of inaccuracies in Commission records is increased and Commission assets may not be adequately safeguarded.

Recommendation: We again recommend that the Commission take the necessary steps to ensure that tangible personal property is properly managed and that property records are accurate and complete.

OBJECTIVES, SCOPE, AND METHODOLOGY

This operational audit focused on the Commission's actions related to calculating and reporting performance measure standards and results, processing travel expenditures, managing tangible personal property, and correcting the deficiencies disclosed in our prior audit (report No. 2006-026, dated September 2005). Our objectives were:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the validity and reliability of records and reports; and the safeguarding of assets.
- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the validity and reliability of records and reports; and the safeguarding of assets.

Our audit included examinations of various transactions (as well as events and conditions) occurring during the period July 2005 through February 2007. In conducting our audit, we:

- Interviewed Commission personnel.
- Obtained an understanding of internal controls and observed, documented, and tested key processes and procedures related to calculating and reporting of performance measure standards and results, processing travel expenditures, and managing tangible personal property.
- Verified Commission calculations and reviewed Commission records supporting the Commission's nine performance measure standards and results.
- Examined travel records and selected transactions (20 expenditures totaling \$5,047 from the population of travel expenditures totaling \$252,050).

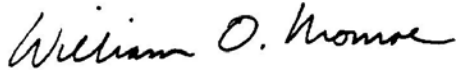
- Examined the Commission's tangible personal property records (totaling approximately \$867,000 at June 30, 2006), physical inventory documents, and transactions and records related to 65 property items with costs totaling \$202,623 (45 items acquired during the audit period, 10 items disposed of during the audit period, and 10 other items).
- Evaluated Commission actions taken to correct the deficiencies disclosed in audit report No. 2006-026.
- Performed various other auditing procedures as necessary to accomplish the objectives of the audit.

In our review of Commission records supporting performance measure standards and results, we noted that the Commission used data from the DOC Offender-Based Information System (OBIS) in the calculation of some performance measure results. Our audit did not include a determination of the validity and reliability of the OBIS data.⁸

⁸ Pursuant to Section 20.315(10), Florida Statutes, there is to be only one offender-based information and records system maintained by DOC for the joint use of DOC and the Commission. The Commission utilizes some OBIS data when calculating the actual results for six of its nine performance measures.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



William O. Monroe, CPA
Auditor General

MANAGEMENT RESPONSE

In a letter dated August 14, 2007, the Commission Chair provided a response to our preliminary and tentative audit findings. The letter is included at the end of this report as APPENDIX A.

To promote accountability in government and improvement in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of State agencies. This operational audit was conducted in accordance with applicable **Generally Accepted Government Auditing Standards**. This audit was conducted by Daniel Martin and supervised by Sherrill Norman, CPA. Please address inquiries regarding this report to Dorothy R. Gilbert, CPA, Audit Manager, by e-mail (dorothygilbert@aud.state.fl.us) or by telephone (850-488-5444).

This report and other audit reports prepared by the Auditor General can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone (850-487-9024); or by mail (G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450).

APPENDIX A
MANAGEMENT RESPONSE



FLORIDA PAROLE COMMISSION

MONICA DAVID, CHAIRMAN
TENA PATE, VICE CHAIRMAN
FREDERICK DUNPHY, SECRETARY

CHARLIE CRIST, GOVERNOR
BILL McCOLLUM, ATTORNEY GENERAL
ALEX SINK, CHIEF FINANCIAL OFFICER
CHARLES H. BRONSON, COMMISSIONER OF AGRICULTURE

August 14, 2007

William O. Monroe
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Following is the Commission's response to the Operational Audit for the Parole Commission for the period July 2005 through February 2007.

Finding 1. Performance Measure Reporting

The Commission agrees that in a small number of instances, the incorrect fiscal year data was used in some exhibits. The data was accurate but labeled incorrectly, in effect representing the wrong prior year. This had no bearing on the legislative budget request workload data since it was two years prior to the LBR request year of 2007-08. Regardless of its non affect on the LBR, we do agree that the Long Range Program Plan should be 100% correct. Unfortunately, the Commission does not have a Planning unit, but to address this issue, in the future the LRPP will be reviewed by both the Research Coordinator and Budget Administrator prior to submittal.

Finding 2. Tangible Personal Property

As reiterated in the Commission's previous audit responses, proper maintenance of the Commission's property records is complicated by the fact that the Department of Corrections (DC) is responsible for maintaining such records yet the Commission is held responsible for their accuracy even though the Commission's property positions were deleted when the function was transferred to DC. In spite of this caveat, overall the Commission's property controls were very good as there was no lost or unaccounted for property. The findings you cited will be addressed by ensuring the correct object code is always used for computer software, requesting that DC automatically revise the condition of property every year based on its age, and ensuring that the nomenclature used on the disposal forms is consistent. Actually, in the examples cited "scrapped" and "donated" were both correct since the items were scrap to the Commission but donated to the Federal prison system or to DC but we will work to utilize consistent terminology.

Lastly, I wish to thank your staff in that they were thorough but professional and also very understanding of the work constraints our staff was under. There consideration when developing deadlines was very much appreciated. This was a good audit for the Commission but certainly reminds us that perfection, though probably not attainable is something we need to consistently strive for.

Sincerely,

Chairman Monica David