ADULT PROBATION SERVCIES DIVISION POLICIES AND PROCEDURES FOR CONDUCTING OPERATIONAL REVIEWS

Administrative Office of the Courts
Adult Probation Services Division
Operational Review Policies & Procedures Manual

Table of Contents

CHAPTER I

OVERVIEW OF OPERATIONAL REVIEW PROCESS

Role and Mission

Arizona's adult probation system is decentralized, with each of the 15 local probation departments reporting directly to the Presiding Judge of the Superior Court or the Court Administrator in their respective counties. In accordance with the administrative and supervisory authority established under Article VI, Section 3 of the Arizona Constitution and in cooperation with the local probation departments, the Adult Probation Services Division (APSD) of the Administrative Office of the Courts (AOC) has developed and implemented a comprehensive operational review process. Operational reviews are a formal, standardized process for evaluating Arizona probation departments. The APSD conducts operational reviews pursuant to applicable Arizona Revised Statutes (ARS), the Arizona Code of Judicial Administration (ACJA), Administrative Orders (AO's), and departmental polices and procedures to ensure departmental compliance and to assist the departments in building effective community supervision practices. The operational review is tied closely to the AOC's overall mission:

> *"To maintain public trust and confidence in the Arizona court system by evaluating the efficiency and effectiveness of court program administration"*

Independence

To effectively carry out its role of providing objective reviews of probation department programs, activities, and functions, staff must be free of personal impairments that would compromise impartial judgment.

To help ensure review staff continually realize the need for independence, at the start of each review, staff must sign a *Statement of Independence* form. It allows staff to acknowledge their independence pertaining to the reviewed entity. Employees shall notify their manager of any possible conflict of interest or impairment in any current or forthcoming review.

Types of Reviews

The APSD has the authority to conduct both financial and operational (performance) reviews. However, the division's primary emphasis will be on performance reviewing which Government Auditing Standards defined as *"an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action."*

Operational review staff will determine whether:

1) activities and programs are being conducted in a manner consistent with the stated policy and procedures;

2) activities or programs efficiently and effectively accomplish requirements and objectives and expend funds in compliance with applicable laws and funding agreements;

3) management has established adequate operational and administrative procedures and practices; and

4) programs and activities are conducted with integrity and free from fraud, abuse or illegal acts.

Financial audits may be conducted as required.

Review Phases

The primary phases of an operational review are as follows:

Pre-Review - The Lead Operational Review Specialist schedules the review and contacts the Chief Probation Officer to inform him or her of the review and to present an overview of the review process. This phase includes the Request for Information letter and Self-Assessment Questionnaire.

Preliminary Review - The review team obtains a general working knowledge of the probation department and determines what review work is necessary. At the beginning of the review, the review team meets to clarify the scope of the review and determine the best way to ensure all essential tasks are completed. This phase includes an examination of the probation department's operational and statistical information, prior reviews or reports, an example of a standard and intensive case file, policy and procedures, and the self-assessment.

Fieldwork - The team collects the information and evidence that will be used to develop the report's findings. Toward the end of fieldwork, the review team holds an exit conference with the Chief Probation Officer and department management staff to discuss the preliminary review findings, and to obtain input as to the accuracy of the findings.

Analysis and Finding - The team, if assigned, evaluates all available information and develops findings for the report. The Lead Operational Review Specialist reviews all analyses and finding papers for accuracy.

Report Writing - The report is drafted, reviewed and revised, and then sent to the Program Services Manager and Administrative Services Manager for review and comment. The Division Director is the final authority and control check for the draft report. After their review the draft report is sent to the Chief Probation Officer. The probation department has 30 days to respond in writing to the draft report. Once the draft is finalized, the probation department's comments are included as part of the published report and it is sent to the Chief Probation Officer, with copies to the presiding judge and APSD management staff.

CHAPTER II

PLANNING AND OVERSIGHT

Scheduling of Reviews

The Operational Review Specialists and Program Services Manager will develop the five-year review schedule and ideally, the review plan will be conducted as originally scheduled. However, extenuating circumstances, such as resource needs and other priority projects, may cause the review schedule to be revised at any time. Additionally, during the course of conducting a review, staff may identify obstacles to completing the review in a timely fashion (i.e., data problems, complex methodologies, etc.) As these situations arise, staff shall notify the Program Services Manager and determine if the review schedule requires revision. Any revisions to the schedule shall be approved by the Division Director.

Staff Assignments

The Lead Operational Review Specialist functions as the team leader and is responsible for making staff assignments. Staff availability and the resources needed to complete the review in a timely manner are the primary considerations in making staff assignments. However, consideration is also given to staffs' special skills or talents, preferences, team experience level, and any potential conflicts of interest.

Quality Assurance

For departments using Probation Information Management System (PIMS) case file data is collected on a data collection sheet by members of the review team. The Lead Operational Review Specialists reviews each form while on site for accuracy. Upon return to the APSD, the data collection sheets are analyzed and data is collected in each category, such as probationer contacts, and a work-paper is developed. The work-paper may contain charts and have exhibits attached for clarity such as Excel spreadsheets. Many of these work-papers, especially ones with critical data, are verified by the other Operational Review Specialist or a team member who is considered to be a subject matter expert. These work-papers become the manual data base and are maintained for a minimum of five years. The draft report is compiled from these work-papers and submitted to the Program Services Manager and then to the Administrative Services Manager for review. Upon completion of any recommended changes, the draft report is submitted to the Division Director for review and final approval.

With the advent of the Adult Probation Enterprise Tracking System (APETS), data collection for probation departments using this system is slightly different. Instead of manually collecting the data on a form, the sample population for review is downloaded from APETS into an ACCESS data base with many of the fields already populated. While on site, case files are manually reviewed, data is compared to the download and additional data is imputed via the use of a personal computer. To ensure accuracy, the Lead Operational Review Specialist verifies a certain percentage of case files by checking the electronic entries. The percentage checked depends on the accuracy level determined during the actual verification, i.e., if 10% of the data entries are accurate, no further checking will be done, however, if any errors are noted, additional entries will be reviewed until a definite pattern of accuracy is noted. Upon return to APSD, the Lead Operational Review Specialist prepares queries and downloads specific information from the data base and prepares work-papers. At this point, the process is the same as mentioned above for departments using PIMS.

CHAPTER III

REVIEW PROCESS

Initiating the Review

To initiate a review, the Lead Operational Review Specialist will telephonically contact the Chief Probation Officer and inform him or her of the review and set the dates for the on-site review. Subsequent to the verbal communication, a letter is sent to the Chief Probation Officer with a copy to the Presiding Judge in that county notifying them that a review is forthcoming and verifying the dates of the on-site field work.

After the dates are set for the on-site review, an entrance conference is scheduled (at least 30 days prior to the on-site review) between the Lead Operational Review Specialist and the Chief Probation Officer and management staff to inform them of the process, scope and purpose, and time frames of the operational review. Other APSD staff members may also attend.

Preliminary Review

The preliminary review is conducted to obtain a general working knowledge of the probation department in as short a time as possible. The purpose of the preliminary review is to identify the areas where further review work may be productive and to obtain information for use in planning and performing field work.

A preliminary review of a probation department usually consists of the following activities:

- **Obtain an overview of the probation department through background research**. The Lead Operational Review Specialist shall obtain and review the budget, financial statements, administrative requirements, relevant statutes, performance measures, policy and procedures, and any available reports regarding the probation department.

- **Gather further information.** Once the Lead Operational Review Specialist has gained sufficient background information on the programs and practices of the probation department, it should be determined whether specialized questions need to be developed to further gain specific information about each activity, program, and function within the department. The purpose of this more detailed analysis is to prioritize areas or issues so that the most significant areas can be examined more fully during field work.

- **Contact outside parties**. To ensure a complete review of a probation department, it is important to talk to parties outside of the department. Therefore, during preliminary review, team members should identify any interested parties (for example: the criminal bench; Department of Public Safety; sex offender records management staff; victims; county attorney; defense bar; contracted agencies) needed for the review.

Documentation

All work shall be documented in the operational review time checklist. This checklist is an ongoing “to do” list that indicates tasks to be accomplished during the review process. A copy of this checklist shall be included in the administrative binder.

The checklist contains the six operational review phases (Pre-Review, Preliminary Review, Field Work, Analysis and Finding Development, Drafting, Final Report) and tasks for each phase. Each task identified on the checklist must be checked and initialed with the date completed noted.

Scoping Process

The scoping process occurs prior to field work and is used to determine which review areas are to be pursued during field work. The review team conducts an initial evaluation of the department in its entirety. During the preliminary review stage the review team narrows the focus of the review to specific areas, programs, and/or populations. Once the areas to be reviewed are identified, they are presented to the Program Services Manager for approval. A memorandum describing the areas to be reviewed, and areas excluded, should be prepared and placed in the administrative binder.

Review Elements

The operational review report should include steps which will provide evidence of five elements. The five elements are described below.

- **Condition**. What is the current situation, and is it isolated or widespread?

- **Criteria**. What should it be? Criteria are standards used to measure compliance. Criteria can be based on statutes, ACJA, AO’s, policy and procedures, or on best practices found in other Divisions, other state courts, or in recognized industry or professional standards.

- **Effect**. What would (or could) occur if the current situation remains the same? Effect has two meanings depending on the review objectives. Effect is often used to demonstrate the need for corrective action in response to identified problems.

- **Cause**. In most cases, this element refers to identifying why the current condition exists. Identifying the cause of the problem can facilitate constructive recommendations for correcting the problem.

- **Recommendation**. What should be done? Who should do it? When should it be done? When possible, the review team will work with the Program Services Manager in developing recommendations during the course of fieldwork.

Field Work

Field work represents the phase of the review where evidence is gathered onsite to document the objectives identified for the review. Typically, the primary data collection occurs through probation case file reviews. Other types of activities conducted in the field are probation staff interviews, observing department practices, and reviewing the minimum accounting standards and fixed assets.

Working-Paper Standards

Work-papers are the link between fieldwork and the operational review report, and document the evidence compiled and evaluated in fieldwork. Clearly understandable, well-organized work-papers provide the detailed support needed to present review findings to probation officials and other interested parties.

Work-papers should be complete and include heading, source, purpose, scope, date prepared, and name of the preparer. In addition, more complex work-papers should include a summary or conclusion.

Bulk Files
Bulk files are work-papers whose size limits their incorporation into the administrative binder (e.g., computer printouts, reports, etc.). Bulk files can serve as the source for work-papers or may be used as a work-paper for reference purposes. Bulk files should be sent to storage upon completion of the final report and archived for five years.

Work-Paper Review
Work-papers may be developed by various members of the review team. All work-papers should be reviewed by the Lead Operational Review Specialist. This should be done as soon as possible to provide immediate resolution of omissions, errors, etc.

The work-papers will be reviewed for:

- ✓ Accuracy, reliability, relevancy, adequacy of the work performed, and the acceptability of the related documentation as evidence of such work.
- ✓ Validity and reasonableness of conclusions reached.

- ✓ Neatness and legibility.
- ✓ Conformity with requirements of work-paper standards.

All work-papers should be clear and understandable and may have exhibits attached for further explanation and clarification.

Project Management

The Lead Operational Review Specialist is responsible for managing the operational review and must ensure that several activities are performed throughout the course of the review. These activities include:

Ongoing Communication
Communication throughout the review needs to occur both within the review team and with the probation department personnel.

- **Internal**. Ongoing communication within the team and the Program Services Manager (if not part of the review team) is vital to ensuring adequate conceptualization of the review objectives and issues. The Lead Operational Review Specialist should hold periodic team meetings to discuss the potential finding areas. These meetings should include discussions of what preliminary survey or fieldwork tasks have been completed, what was found and how this fits within the original review objective, and what work must still be completed. These meetings should be documented and included in the administrative file,

- **External**. Establishing a cooperative relationship with the probation department is useful for a successful review since much of the information and documentation collected during a review is provided by probation personnel. Throughout the review, it is important to maintain ongoing communication with the department being reviewed.

- **Entrance Conference**. The entrance conference is held at least 30 days prior to the beginning of a review to inform the probation department of the review process, scope and purpose, and time-frames.

- **Fieldwork Entrance Conference**. On the first day of the on-site review, the review team should meet with the department's management team to answer any questions, become acquainted with the department's office, and introduce review team members.

- **Fieldwork Exit Conference**. Once the review team has a good idea of what the findings will be, the team may choose to conduct an exit conference with the department. The purpose of the conference is to provide the Chief Probation Officer and management team with a preliminary indication of what the findings may be and to thank the department for their cooperation. The preliminary nature of these findings must be stressed, since the content or even the importance of a finding may change as a result of further analysis during this process.

The exit conference should be kept informal. It is generally held at the probation department and is usually attended by the review team and the chief probation officer with his/her management team. Following the exit conference, the Lead Operational Review Specialist will prepare a summary of the discussions, and place it in the administrative binder.

While uncommon, review staff may experience a lack of cooperation from a probation department, thereby limiting their ability to conduct an adequate review. Uncooperative behavior can range from outright refusal to subtle delays, diversions, and deliberate digressions. For example, non-cooperation could be delays in meeting requests, unwillingness to meet with review staff, and a lack of candor in answering questions. Lack of cooperation can seriously limit the review scope by preventing the review team from obtaining needed information and reducing the time available to evaluate information if obtained. Review staff must, therefore, be able to recognize uncooperative behavior and attempt to secure cooperation.

When a member of the review team feels that any probation employee is delaying accomplishment of review work, the Lead Operational Review Specialist should inform the Program Services Manager. This should be done in a short memorandum which will be retained in the review administrative file, along with a follow-up memorandum indicating how the situation was resolved.

CHAPTER IV

REVIEW METHODOLOGIES

Interviewing

The most common method of obtaining information and evidence is through interviews of involved or knowledgeable personnel. This form of inquiry is mostly personal and can result in very little information unless the interviewer is technically skillful. Verbal information obtained in an interview should be substantiated by at least one other source before it can be relied upon.

The following steps are guidelines for the interviewer when conducting an interview:

- ✓ Schedule interviews in advance and inform the interviewee of the purpose and nature of the interview.
- ✓ Prepare for the interview by reviewing appropriate background materials and obtain a copy of the basic questions and develop any specialized questions.
- ✓ Before addressing the subject of the review, explain the purpose of the interview, why the interviewee was chosen, and solicit comments and/or questions. This information should be conveyed in a tone and manner that is not intimidating, yet businesslike and sincere.
- ✓ Establish a good rapport, and then proceed with the questions.
- ✓ Ask follow-up questions to clarify responses and seek documentation for assertions.
- ✓ Re-phrase interviewee responses to confirm understanding of what was said.
- ✓ Ask if there are any other personnel who should be interviewed.
- ✓ Seek clarification if other information contradicts what the interviewee says.
- ✓ Express sincere appreciation for the interviewee’s time and assistance.

Documenting the Interview. The interviewer is responsible for documenting the interview for future reference and to support work performed. This documentation becomes a working-paper and involves narrative writing usually performed soon after the interview (during the interview notes are taken which are then used to document the interview). Taking time to document the interview can help confirm the reviewer’s understanding of what was said and may help the reviewer recall additional pertinent facts that need to be developed before fieldwork ends. Documentation should include the reasons for and the substance of the interview, as well as its time and place. The name and title of participants shall also be included.

Interviewees should be asked to confirm (preferably through written documentation) significant or critical information that they gave during the interview unless it is otherwise supported and confirmation is considered unnecessary. This is most important when information obtained deals with a point critical to a finding. If an interviewee refuses to confirm significant information, either in writing or orally, that fact and the interviewee's reasons should be noted in the work-papers.

Sampling

Sample size is determined by the Operational Review Sampling form which is based on the percentage of the current active population. The greater the population, the smaller the sample percentage used; the smaller the population, the greater percentage. In selecting a sample, certain parameters are used in the random selection process, such as date of sentence and offense type to ensure current active cases are reviewed as well as high-profile cases, such as sex offenders. Recently closed and absconder cases are also reviewed.

Compliance Standards and Criteria

Standards and criteria are accepted from a wide variety of sources including, but not limited to, ARS, ACJA, AO's, funding agreements, policies and procedures, performance measures, professional education literature, industry specific literature on best practices, relevant general literature, and technically developed standards or norms.

Expected compliance for issues specifically addressed in ARS, ACJA, AO's, and department policy is 100 percent, however, performance measures are based on the statewide expectation. Even though a particular event or collection may exceed the compliance requirement, there is no "over compliance." The maximum compliance is 100 percent.

Compliance for all other areas will be measured less stringently. For example, the compliance of a local policy and procedure that does not affect public safety will be determined to be in compliance if *75* percent of files meet the requirement. Many standards being addressed in the operational reviews are minimum standards and should be stated as such. A minimum standard does not imply that performance at that level will result in the most effective results, only that that level of performance is acceptable.

Surveys

Surveys are used to gather certain types of information, such as information from victims. Surveys are most useful on gathering opinions and are periodically used.

The following items should be considered when conducting surveys:

- **Survey Methodology**. The method of conducting the survey depends on several factors, such as the type of information to be collected, amount of time available to conduct the survey, population and or sample size, logistics of distributing and collecting the survey document, confidentiality of the material being collected, and probable response rate, etc. For example, if a small survey of other courts is needed, it may be best to conduct a telephone interview. However, if a survey is to be conducted of 200 victims across the state, it may be best to conduct an electronic mail or U.S. Mail survey. The decision to conduct a survey should be made early in the review planning to ensure that enough time is devoted to developing and conducting the survey, and analyzing results.

- **Survey Instruments**. It is critical that the survey instrument be well developed in order to obtain accurate and useful information. Preferably, the survey instrument should take the respondent no more than twenty minutes to complete and the response format should enhance the respondent's ease in answering questions. Surveys often contain both open and closed-ended questions. Open-ended questions, however, can increase the respondent's difficulty in completing the survey, often do not produce useful data, and data they produce is difficult to synthesize for review findings. Open-ended questions also allow for differences in interpretation; thus, answers are not always comparable across respondents. This makes coding of these questions difficult. If such answers are useful at all, it is usually for anecdotal material, rather than as a measure.

  Once a survey document is developed, the instrument should be pre-tested to determine if any problems exist. To conduct a pretest, it is helpful to ask a group of individuals to complete the questionnaire, and then interview those individuals concerning any problems experienced with the instrument. Further, responses should be evaluated to determine if the answers appeared as expected.

- **Presentation of Survey Results.** Survey results are frequently used in report findings. It is important to the credibility of the report that survey results be presented fairly and accurately. For example, when reporting the results of a small (less than 30) sample, actual counts should be reported instead of, or in addition to, percentages. For surveys, a response rate of at least 50 percent is needed to ensure the reliability of the data, but 75 percent is preferred. Report the number of cases analyzed and the response rate, and any response rate bias that was identified and corrected. It is useful if the survey methodology is explained in the report.

File Reviews

File reviews can serve as an effective means of answering a number of questions regarding a program's efficiency and effectiveness. The primary type of file review used in operational reviews will be the operational review. During this type of review, the reviewer is checking to see if the probation department is performing in accordance with its statutory mandate, ACJA, AO's, and/or department policies and procedures.

The file review is a process involving several identified steps:

- **Determine the purpose of the review**. The reviewer must first clearly determine the purpose of the file review. The reviewer needs to identify what is expected from the file review and how the information will be used in the report.

- **Preparing for the file review**. The review team should preview department specific probation files and familiarize themselves with case management forms. If electronic files are used, ask about the reliability of the data. Test the data for completeness, consistency and accuracy.

- **Design the methodology for the file review.** During the preliminary review, the methodology for the file review must be developed. Decisions need to be made regarding: (1) the scope for the review, (2) the number of cases to review, and (3) how the cases should be selected.

- **Designing the file review instrument.** The data collection instrument will be the crux of the file review in ensuring that all essential information be captured. The Lead Operational Review Specialist develops the data collection instrument, with aid from team members and support staff. Once the data collection instrument is designed, all team members must be trained on the instrument in order to ensure consistency.

Conducting the File Review

Typically, more than one person conducts file reviews, therefore, steps should be taken to ensure reliability. It is important for the Lead Operational Review Specialist to review the data collection instrument with team members and to review each completed data collection sheet while on-site.

Documenting the File Review

Several aspects of the file review need to be documented. The Lead Operational Review Specialist should document the methodology used in planning and developing the file review, and any obstacles encountered during the review. Finally, the analysis performed on the data should be documented. This is normally done with work-papers.

CHAPTER V

REPORT DEVELOPMENT

The Operational Review Report

The review report conveys the results of fieldwork to the Division Director, Chief Probation Officer, and other interested parties. To be effective, review reports should contain significant and useful information, be timely, accurate, concise, avoid excessive detail or repetition, avoid difficult or unnecessary language, present the information in a fair and objective manner, and be written in a convincing manner with findings and recommendations.

Drafting and Reviewing the Report

The Lead Operational Review Specialist compiles all the data collected from the case file review, program file review, interviews, and other sources and prepares work-papers for each subject matter. Other team members may also prepare work-papers. All of the work-papers that are considered critical or controversial are cross-checked by others to confirm the data and/or identify any deficiencies. After this process, the report is compiled by the Lead Operational Review Specialist. Once the draft report is completed, it is submitted to the Program Services Manager and then to the Administrative Services Manager for review and identification of any inconsistencies, as well as corrections to grammar and style. Once the edits are complete, the draft report is submitted to the Division Director, whose feedback is then incorporated into the draft report.

Draft Reviews and Response

Once the draft report is complete, a copy is submitted to the probation department for review and comment. A draft conference can be held with the Lead Operational Review Specialist and key probation staff to discuss the report. The purpose of the meeting is to obtain input concerning any perceived inaccuracies within the report, and any other issues identified by the probation department. The draft conference should be held no later than two weeks after the draft is provided to the Chief Probation Officer,

Changes to the draft agreed to by the review team and the Program Services Manager will be made following the meeting. It may be necessary to conduct additional fieldwork to substantiate certain changes. Any substantive changes to the draft shall be documented. Once all the changes have been made, the revised draft should be reviewed again by the Lead Operational Review Specialist, Program Services Manager, and Division Director.

Report Issuance

The transmittal letter, report with finding summary/action plan, and the Chief Probation Officer's written response will be included (without change) in the finalized report. This report will be provided to the Chief Probation Officer with a copy to the Presiding Judge. An electronic copy as well as a paper copy will be maintained in APSD.

CHAPTER VI

REVIEW CONCLUSION AND FOLLOW-UP ACTIVITIES

Closing the Review

Once the final report is issued, the review needs to be closed for storage. Closing the review involves ensuring that all review steps have been completed. A copy of the operational review checklist and all work-papers should be placed in the administrative binder.

Each bulk file item should be screened to determine whether the item needs to be kept. If the bulk file item is critical to the review, it should be retained. If the bulk file item was not used or is not relevant, it can be discarded. Further, certain items of a permanent nature can be placed in the division's permanent file for future use, such as a current policy and procedure manual.

Follow-Up Activities

The Lead Operational Review Specialist is responsible for following-up to ensure review recommendations are implemented. The probation department is responsible for submitting a follow-up report or action plan detailing their efforts implementing the review recommendations at a specified time. The Lead Operational Review Specialist will review the action plan to determine if each finding was addressed. An evaluation of the action plan will be provided to the Chief Probation Officer, noting the number of findings corrected, in progress, or no action taken. The follow-up review will occur within a year of publication of the full comprehensive review. The purpose of the follow-up review is to ensure the department implemented the corrective actions specified in the finding summary/action plan.

During the follow-up, only case files are reviewed that were sentenced since the on-site comprehensive review. The sample size is approximately 75% of the number that were originally reviewed in the comprehensive process. The data collected is limited to only include areas of non-compliance that were identified during the comprehensive review. The follow-up is a shorter process and the report is sent to the Presiding Judge, with a copy to the Chief Probation Officer and APSD management staff.

CHAPTER VII

FINANCIAL AUDITS

The financial audit, conducted by a contracted auditing firm or the AOC will determine whether:

I) management has established adequate internal accounting systems;

2) funds are managed according to statue, code, and funding agreements; and

3) internal accounting is free from fraud, abuse, or illegal acts.

The primary phases of a financial audit are as follows:

Firm selection – If the audit is to be contracted out, prior to selecting a firm to conduct the audit, critical dates should be agreed upon and entered into the financial audit checklist. At least four weeks prior to the audit's start date, mail out letters requesting bids to potential accounting firms. All firms must be under state contract. This letter should include a copy of the Scope of Work, should designate an expected completion date (date by which the draft report should be submitted to the AOC), and should contain a deadline for submission of bids. Upon receipt of all bids (or at the bid submission deadline), all qualifying bids should be entered into a ranking chart. This will provide the Lead Operational Review Specialist and the Finance Specialist with an objective means of comparing variables across bidders, and will document the reasons for selecting the chosen firm. A work order is generated and routed (with routing slip) for appropriate approvals within the AOC. An award letter is then sent to the chosen firm along with the work order for review and signature.

Pre audit – If the audit is contracted out, the Lead Operational Review Specialist and Finance Specialist then schedule a meeting with the firm at which time the firm will be provided with copies of Addendum A's, closing reports, funding agreements, budget modifications and any other documents necessary to conduct the financial audit. A second meeting may be held with the actual auditing team to familiarize them with the structure of the department as well as the documents and forms they are likely to encounter during the course of the audit. If needed, the Finance Specialist may also provide the firm with an example of the expected draft report format. If the audit is to be conducted by the AOC, the Lead Operational Review Specialist and Finance Specialist will collect the aforementioned documents for review.

Audit notification - Notice is then sent to the Presiding Judge (with copies to the Chief Probation Officer, County Administrator, Finance Director, and other interested parties) that an independent or AOC directed financial audit has been scheduled. An entrance conference is then scheduled with the firm's audit team or AOC staff with the Presiding Judge, the Chief Probation Officer or Director, Finance Director and other interested parties to discuss logistical issues, as well as work flow and time frames. If the audit is to be contracted out, the Finance Specialist and Lead Operational Review Specialist would be available for assistance in clarifying any issues or concerns.

Post audit - After the audit team completes all necessary work, an exit conference is held with the aforementioned parties. At this time, preliminary findings may be discussed and potential remedies may be considered.

Draft report – If contracted out, the draft report is due to the AOC no later than the deadline specified in the work order. Upon receipt, the draft report is disseminated to the Director, the Program Services Manager, Administrative Services Manger, Finance Specialist and Lead Operational Review Specialist. Any changes needed are documented and forwarded en masse to the audit team for revision. If not contracted out, the Finance Specialist and Lead Operational Review Specialist will draft the report and forward to the APSD management team for their review.

Final report - If contracted out, the final audit report is sent to the AOC by the firm for dissemination to the Directors, the Chief Probation Officer, Presiding Judge, County Administrator, Finance Director and any other interested parties along with a request for a corrective action plan (if applicable). If not contracted out, the AOC will disseminate the final report to the appropriate parties.

Audit follow-up. - The follow-up review is to commence six months after the date of publication of the final audit report. All notes, correspondence drafts, and other documentation of this process are to be retained in the financial audit file for that county for purposes of future reference.

CHAPTER VIII

USE OF OUTSIDE RESOURCES

Hiring Outside Auditors/Consultants

In the event there is not available or sufficient expertise within the division to perform work in a particular area, the Lead Operational Review Specialist should consider hiring a consultant. In such instances, the Lead Operational Review Specialist should consult with the Program Services Manager and Division Director for approval of such action. If approved, the Lead Operational Review Specialist should refer to the AOC Policy regarding procedures for soliciting bids for contracts and the contracting process.

Referrals Outside of the AOC

If the Lead Operational Review Specialist identifies any areas where it is believed there might be a high risk for potential fraud, they shall meet with the Program Services Manager to determine the best course of action for further investigation. Upon further investigation, if wrong doing is suspected, the Division Director shall be informed. At that point, a decision will be made regarding the need for additional investigation and the most appropriate personnel to perform such an investigation. Potential sources for expertise in fraud investigations include the Auditor General's Office, Special Audit Manager and or personnel from the Attorney General's Office. Minimally, review staff shall consult with these sources for guidance, since these investigations could ultimately be turned over to them for further investigation and possible prosecution.