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|  <p>CD-053800</p> | <p>NEW MEXICO CORRECTIONS DEPARTMENT</p> <p><i>"We commit to the safety and well-being of the people of New Mexico by doing the right thing, always."</i> Courage Responsibility Ethics Dedication - CREDibly serving the public safety of New Mexico</p> | |
| | <p>ISSUE DATE: 06/27/96</p> <p>EFFECTIVE DATE: 07/01/96</p> | <p>REVIEW/REVISED: 03/09/15</p> |
| | <p>TITLE: Community Corrections Program and Fiscal Audits</p> | |

AUTHORITY:

NMSA 33-9-1 through 33-9-10 (1989)

REFERENCES:

ACA Standards, 4-APPFS-3D-08, *Performance Based Standards for Adult Probation and Parole Field Services*, 4th Edition.

PURPOSE:

The purpose of this policy is to provide a method to ensure that entities which receive funds to operate or provide services to adult offenders provide high quality services and that fiscal management complies with Generally Accepted Accounting Practices (GAAP) and all state laws, codes, rules and regulations and directives regarding accountability for state funds.

APPLICABILITY:

This policy applies to all entities including those within the Corrections Department receiving Community Corrections Grant Funds, general appropriation funds or other funding sources to operate or provide treatment services to adult offenders under the supervision of the Probation and Parole Division.

FORMS:

- A. **Community Corrections Program/Services Audit Form** (*CD-053801.1*) (11 Pages)
- B. **Community Corrections Corrective Action Plan Form** (*CD-053801.2*) (2 Pages)

ATTACHMENTS:

None

DEFINITIONS:

- A. Community Programs/Treatment Services: Any program/treatment service in the community funded via Community Corrections Grant funds, general appropriation funds or other funding sources for the purpose of providing contracted services to adult offenders supervised by the Probation and Parole Division.
- B. Fiscal Audit: A review of fiscal documents to ensure fiscal accountability.
- C. Offender: An adult placed under, or made subject to, supervision, probation and/or parole, as the result of the commission of a criminal offense and released to the community under the jurisdiction of courts, paroling authorities, corrections, or other criminal justice agencies, and who is required to request transfer of supervision under the provisions of the Interstate Compact for Adult Offender Supervision.
- D. Offender Records: Records kept on each offender of a Community Corrections program, which record all activity and transactions between the offender and program/treatment staff.
- E. Parolee: An offender who is sentenced to a period of incarceration in a state / contracted correctional facility with a period of parole to follow upon release.
- F. Probationer: An offender who has been adjudicated guilty, the ordered sentence from a District Court is suspended or deferred and a probationary period is imposed.
- G. Program Audit: A visit by Department staff or by a contracted provider at the site where program / treatment services are delivered. The purpose of the visit is to ascertain whether the program / treatment service is effectively administered under the terms of the contract or other written agreements with the Corrections Department, in compliance with policies and procedures governing community corrections programs, and state laws, codes and directives. The site visit may include examination of fiscal and budget procedures as well as clinical documentation and program standard operating procedures.

POLICY:

- A. It is the policy of the Probation and Parole Division to ensure adult Community Corrections programs as well as other community programs / treatment services funded through the New Mexico Corrections Department comply with all contractual or other written agreements and are accountable for the delivery of high quality services to offenders and fiscal and budget procedures.

- B. Department staff will be responsible for ensuring that at least one site visit / audit is conducted each fiscal year at each program / provider site for the purpose of conducting an audit on program / treatment delivery and billing records. The Department may contract for these site visits/audits to be conducted by an outside entity. **[4-APPFS-3D-08]**

- C. For agencies that receive funds from more than one State agency the site visits shall be coordinated whenever possible with the other agencies. Division staff shall be available for technical assistance and problem solving upon request by the service provider. Each contractor is also subject to a fiscal audit to be conducted by Department staff or an accounting firm contracted with the Department, at the discretion of the Division.



Gregg Marcantel, Secretary of Corrections
New Mexico Corrections Department

03/09/15
Date

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|  | <h1>NEW MEXICO CORRECTIONS DEPARTMENT</h1> <p>"We commit to the safety and well-being of the people of New Mexico by doing the right thing, always." Courage Responsibility Ethics Dedication - CREDibly serving the public safety of New Mexico</p> | |
| | ISSUE DATE: 06/27/96 | REVIEW/REVISED: 03/09/15 |
| | EFFECTIVE DATE: 07/01/96 | |
| CD-053801 | TITLE: Community Corrections Program and Fiscal Audits | |

AUTHORITY:

Policy *CD-053800*

PROCEDURES: [4-APPFS-3D-08]

- A. Department staff and/or contracted auditor will schedule an appointment with the community program/service provider to be monitored, notifying the Program Director of the documents to be made available for inspection, staff and offenders to be interviewed, and time and duration of the audit.

- B. If the audit is conducted by Department staff, the **Community Corrections Program/Services Audit Form (CD-053801.1)** shall be utilized. Any contracted auditor may develop their own audit form with the approval of the Department. The auditor shall assess the status of the following activities, as appropriate:
 - 1. Review of program administration will include, but not be limited to, articles of incorporation, staff / volunteer training and orientation, agency organization, staff performance reviews, staff qualifications and credentials, written policies and procedures, compliance with professional licensure requirements, organizational assurances and personnel files.

 - 2. Program review will include examination and assessment of program goals and objectives, treatment philosophy and staff knowledge of, and compliance with these documents in the delivery of services to offenders. Further, the qualifications, education and training of staff will be ascertained. Department staff will review documents and meet with program staff to determine how each required treatment component is being delivered to offenders and if performance measures are met. The audit will determine whether or not the provider is meeting the offender matrix that was agreed upon with the Corrections Department and will examine offender files to ensure that there is a written record of all program transactions with the offender.

3. The program's Policy and Procedure manual will be reviewed to ensure compatibility with contract requirements, to include but not be limited to, performance measures, service component areas, referral for services, training of staff and volunteers, client grievance procedures, equal employment, affirmative action, employee grievance procedures, fiscal management, job descriptions, staff performance evaluations, Code of Ethics, offender confidentiality background checks of staff and volunteers to include a criminal history report, utilization of volunteers, procedure for drug testing and ensure that practices associated with a drug free workplace are followed.
 4. The program's facility will be audited for compliance with applicable zoning ordinances, laws and codes, and local building, sanitation, health and fire codes and ADA standards.
- C. The auditor may review program fiscal documents to ensure fiscal accountability. The monitor will verify that books of fiscal records are maintained and are accurate, that posting to ledgers is accurate, the responsibilities of fiscal staff, the existence of required insurance and fidelity bonds, check writing procedures and safeguards, handling of cash receipts, payment of state and federal taxes, inventory of personal property purchased with Department funds, the status of previous audits and remedies taken to address previous audit exceptions.
- D. The auditor may interview offenders, local selection panel members, community service providers, service agencies, referral sources and volunteers as part of the entire auditing process.
- E. If the Department conducts the audit;
1. The auditor will hold an entry and exit interview with the Program Director and/or Probation and Parole Supervisor, as appropriate, to clarify questions about the audit and then to discuss the findings of the site visit and recommend corrective action if the need is indicated.
 2. Within 30 days of the audit, the auditor will prepare a written report listing all findings noted during the visit. This report will be mailed to the responsible administrator and will become a part of the program's contract file. A copy of the report will be made available to the Secretary and the Adult Community Corrections Advisory Panel upon request. The auditor will conduct a follow-up visit, if deemed necessary, to ensure action taken and program change or improvement are initiated and will document this activity in the program file.

3. The program will respond to the Department's audit report by submitting a **Community Corrections Corrective Action Plan** Form ((*CD-053801.2*) within the specified time frame that the Department requests.
- F. Any contracted auditor may develop their own auditing protocols and procedure with the approval of the Department.
- G. Audit reports and program compliance with recommendations for remedial action in any area of program delivery or fiscal accountability will be utilized in making decisions to re-fund a program or to close a program.
- H. The Department may contract or arrange for an independent financial audit of the Contractor's performance of their contract, including a review of the final rate of allowable administrative cost(s), if applicable. The audit may be conducted by an entity including, but not limited to, the Behavioral Health Purchasing Collaborative and/or its designee(s), the Statewide Entity (SE) or its designee(s) or a private company. At the end of each funding year, the Department may ask or instruct the Behavioral Health Purchasing Collaborative and/or the Statewide Entity (SE) to require the Contractor to obtain an independent audit performed based on General Accepted Accounting Principles (GAAP) and forwarded to the Behavioral Health Purchasing Collaborative, the Statewide Entity (SE), and/or the Department.



Gregg Marcantel, Secretary of Corrections
New Mexico Corrections Department

03/09/15
Date

NEW MEXICO CORRECTIONS DEPARTMENT
Community Corrections Program / Services Audit

Program Name: _____
 Auditor: _____
 Date: _____

| IV. PROGRAMMING / TREATMENT | C | NC | E | NA |
|--|----------|-----------|----------|-----------|
| A. Does the program have a written Treatment Philosophy? | | | | |
| B. Does the program have a written "Standards of Care"? | | | | |
| C. Are staff appropriately licensed? | | | | |
| D. Is Clinical Supervision provided and documented, as appropriate? | | | | |
| E. Does the clinical individual files include the following documentation? | | | | |
| • Clinical Intake | | | | |
| • Consent to Treatment | | | | |
| • Release of Information | | | | |
| • Clinical Assessment | | | | |
| (Is the Clinical Assessment instrument appropriate and completed by qualified staff?) | | | | |
| (Is the Clinical Assessment scheduled and completed per performance measures?) | | | | |
| • Individual Treatment Plan | | | | |
| (Is the Tx plan completed within two weeks of program participation?) | | | | |
| (Does the Tx plan encompasses the assessed needs and are needs met per performance measures?) | | | | |
| (Are special conditions of Probation/Parole included in the Tx Plan?) | | | | |
| (Is the Tx Plan signed, dated and reviewed by Clinical Supervisor?) | | | | |
| (Is the Tx Plan updated, as appropriate?) | | | | |
| • Individual / Group Progress Notes | | | | |
| (Are notes descriptive and reflect progress towards meeting the Tx Plan?) | | | | |
| (Are notes signed and dated?) | | | | |
| • Is a Clinical Discharge Summary completed which includes aftercare recommendations? | | | | |
| F. Is Family Involvement in Treatment documented in the file and on the monthly reports, if appropriate? | | | | |
| G. Is Substance Abuse Programming documented in the file and on the monthly reports, if appropriate? | | | | |
| • Is individual counseling documented? | | | | |
| • Is group counseling documented? | | | | |
| • Is self-help group attendance documented, i.e. AA/NA? | | | | |
| • Is drug testing documented? | | | | |
| • Are Positive Drug Screens reported to PPD immediately? | | | | |
| • Does the offender complete a Written Relapse Prevention Plan prior to Graduation? | | | | |

C= Compliance NC=Non-Compliant E= Exception NA=Not Applicable

NEW MEXICO CORRECTIONS DEPARTMENT
Community Corrections Program / Services Audit

Program Name: _____
 Auditor: _____
 Date: _____

| V. FISCAL MANAGEMENT | C | NC | E | NA |
|---|----------|-----------|----------|-----------|
| A. Are there Accounting Systems in place? | | | | |
| • Does the system conform to generally accepted accounting practices? | | | | |
| • Do records disclose the amount and disposition of the Grant funds? | | | | |
| B. Does the System separately identify the receipt and expenditure of state and other funds? | | | | |
| C. Does the System provide for entries in accounting records to refer to subsidiary records and/or documentation which support the entry and which can be readily located? | | | | |
| D. Does the System provide accurate and current financial reporting information? | | | | |
| E. Does the System provide for adequate internal controls to safeguard the funds and assets covered, check the accuracy and reliability of accounting data promote operational efficiency and encourage adherence to policies and procedures? | | | | |
| F. Are the following Accounting Records maintained? | | | | |
| • Is the General Ledger updated and accurate? | | | | |
| • Are the Subsidiary Ledgers updated and accurate? | | | | |
| • Is the Cash Receipts Journal updated and accurate? | | | | |
| • Is the Cash Disbursements Journal updated and accurate? | | | | |
| G. Are the following Supporting Records maintained? | | | | |
| • Are receipts pre-numbered and issued for all cash received? | | | | |
| • Are payment vouchers/checks pre-numbered and issued for all cash disbursed? | | | | |
| • Are original or source records and documents which evidence expenditures made and receipts received available? | | | | |
| • Do these records include daily time records? | | | | |
| • Do these records include payroll records? | | | | |
| • Do these records include invoices and computations used in allocating indirect costs? | | | | |
| • Is a signature control on checks in place requiring at least two signatures? (Are they approved by the board?) | | | | |
| H. Is the following documentation on Administrative Costs maintained? | | | | |
| • Records and/or worksheets identifying allocation of expenditures? | | | | |
| • Are the administrative costs being charged to the appropriate accounts? | | | | |
| • Are the direct costs being charged to the appropriate accounts? | | | | |
| • Are Personal Services and Employee Benefit costs for staff not providing direct client services allocated as administrative costs? | | | | |
| I. Is Community Support demonstrated in the file either monetarily or in-kind services? | | | | |
| J. Is the following documentation on Reporting and Reimbursement maintained? | | | | |
| • Are "Unit Cost" reimbursement requests submitted monthly? (Do requests reflect number of units of service provided?) (Do requests identify clients served?) | | | | |

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NEW MEXICO CORRECTIONS DEPARTMENT
Community Corrections Program / Services Audit

Program Name: _____
Auditor: _____
Date: _____

| VI. RESIDENTIAL FACILITY | C | NC | E | NA |
|--|----------|-----------|----------|-----------|
| A. Is the facility in compliance with zoning ordinances (is documentation in the file)? | | | | |
| B. Is the facility in compliance with local laws and codes (is documentation in the file)? | | | | |
| C. Is the facility in compliance with all local building codes? | | | | |
| • Does this documentation include compliance with sanitation codes? | | | | |
| • Does this documentation include compliance with health codes? | | | | |
| • Does this documentation include compliance with fire codes? | | | | |
| • Does this documentation include compliance with ADA? | | | | |
| D. Is the facility licensed or approved by the NM Department of Health? | | | | |
| E. Does supervision of residents include the following? | | | | |
| • Is twenty-four hour supervision provided for all participants? (Is staff trained to provide for security supervision?) (Are sufficient numbers of staff assigned to meet supervision requirements?) | | | | |
| • Is there a regular schedule of activities? | | | | |
| • Are there provisions for individual counseling? | | | | |
| • Are there provisions for group counseling? | | | | |
| • Does each resident receive a copy of the policy stating program rules and regulations, including disciplinary & grievance procedures? (Are the rules read by the resident, signed and dated?) | | | | |
| • Is there written policy and procedure for conducting searches of residents and all areas of the facility in order to control contraband and locate missing or stolen property? | | | | |
| • Is there a written procedure for the prevention, detection, and pursuit of absconders? | | | | |
| • Does written policy restrict the use of physical force to instances of justifiable self-protection, protection of others, prevention of property damage, and prevention of escapes, and only to the degree necessary and in accordance with appropriate statutory authority? | | | | |
| • Are all cases of physical force or restraint reported to PPD in writing, dated, and signed by the staff person reporting the incident? (Are reports placed in the resident's file?) (Are reports reviewed by the Program Director with a copy to PPD?) | | | | |
| • Do written policy and procedure prohibit the use of personal abuse and corporal punishment? | | | | |
| • Does written policy and procedure provide that residents are not subject to unusual punishment, mental abuse, or punitive interference with daily functions of living, such as eating or sleeping? | | | | |
| • Does policy and procedure provide that staff monitor movement of residents into and out of the facility? | | | | |
| • Is there a system of accounting for the whereabouts of residents at all times? | | | | |

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Program Name: _____
 Auditor: _____
 Date: _____

| | C | NC | E | NA |
|---|---|----|---|----|
| • Is there written policy and procedure governing transportation in general and specifically for Residents being returned to custody? | | | | |
| • Is there a procedure for the control, inventory and issuance of facility keys? | | | | |
| • Is there a procedure for the control, inventory and issuance of vehicle keys? | | | | |
| F. Does the residential facility provide for case management? | | | | |
| G. Does the residential facility provide for documentation of individual client files? | | | | |
| H. Are safety and emergency procedures in compliance with the following? | | | | |
| • Does the facility have written fire and other emergency plans which are communicated to all employees and offenders, and reviewed and updated annually? | | | | |
| • Are the written emergency plans disseminated to appropriate local authorities, and are they posted in conspicuous places throughout the facility? | | | | |
| • Are all agency personnel trained in the implementation of written emergency plans? | | | | |
| • Are quarterly emergency evacuation drills conducted under varied conditions and during hours when a majority of residents are present in the facility? | | | | |
| • Does written policy and procedure specify the facility's fire prevention regulations and practices to ensure the safety to staff, clients and visitors? | | | | |
| • Do the regulations include the following? | | | | |
| (Provision for an adequate fire protection service) | | | | |
| (A system of fire inspections and testing of equipment at least quarterly) | | | | |
| (An annual inspection by local or state fire officials or other qualified person(s)) | | | | |
| (Availability of fire protection equipment at appropriate locations throughout the facility) | | | | |
| (Fire extinguishers and first aid kits provided in each vehicle) | | | | |
| • Are exits in the facility in compliance with either state or local fire safety authorities, (whichever has primary jurisdiction over the facility)? | | | | |
| (If there is no applicable state or local authority, is there documentation by an independent, qualified source that the facility complies with national fire safety codes?) | | | | |
| • Is there documentation that the facility has an automatic fire alarm and smoke detection system, which is approved by the state fire marshal or recognized state authority? | | | | |
| (Is the system tested on a regular basis?) | | | | |
| • Is there a written plan that provides for continuous facility operation in the event of a concerted employee work stoppage or other job action? | | | | |
| (Are copies of this plan available to all supervisory personnel?) | | | | |
| • Does the facility have a written plan, based on facility requirements to monitor and control movement of visitors? | | | | |

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NEW MEXICO CORRECTIONS DEPARTMENT
Community Corrections Program / Services Audit

Program Name: _____
 Auditor: _____
 Date: _____

| | C | NC | E | NA |
|--|---|----|---|----|
| I. Is food service in compliance with the following ACA standards? | | | | |
| • When the facility contracts for food service, does a registered dietician or physician annually approve the nutritional value of the Contractor’s menu? | | | | |
| • When the facility contracts for food service, does the contractor comply with all sanitation and health codes enacted by state or authorities? | | | | |
| • When food service is provided at the facility, do food service staff develops advanced planned menus and follow the schedule? | | | | |
| • When food service is provided at the facility, are advanced planned menus reviewed and approved by a registered dietician or physician? | | | | |
| • When food service is provided at the facility, is there a single menu for staff and offenders? | | | | |
| • When food service is provided at the facility, are special diets prepared which meet the medical needs of residents? | | | | |
| • When food service is provided at the facility, are provisions made to meet the religious dietary needs of residents? | | | | |
| • When food service is provided at the facility, does it comply with all sanitation and health codes enacted by state or local authorities? | | | | |
| • When food service is provided at the facility, are all foods properly stored at the completion of each meal? | | | | |
| • When food service is provided at the facility, is the kitchen and dining area ventilated, properly furnished, and clean? | | | | |
| J. Is medical care and health services in compliance with the following? | | | | |
| • Does the facility have a written agreement with a licensed general hospital, clinic or physician to provide residents with routine medical services? | | | | |
| • Does the facility have a written agreement with a licensed general hospital, clinic, or physician to provide emergency services on a 24-hour a day basis? | | | | |
| • Do health care personnel working in the facility meet state licensing and certification requirements? | | | | |
| • Is there at least one staff member present on each shift of the residential facility trained in emergency first aid procedures including cardio-pulmonary resuscitation? | | | | |
| • Does the facility ensure staff receives TB testing? | | | | |
| • Does the program’s practice promote the prevention and spread of infectious diseases? | | | | |
| • Does the facility have written emergency medical back up plans, which are communicated, to all employees and residents? | | | | |
| • Does the facility have available at all time’s first aid equipment approved by a recognized health authority? | | | | |
| • Does written policy and procedure provide that the facility implement an inventory system of first aid supplies and equipment and that continually replenishes the supply? | | | | |

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NEW MEXICO CORRECTIONS DEPARTMENT

COMMUNITY CORRECTIONS
CORRECTIVE ACTION PLAN

The following corrective action plan is being submitted by the contractor to the Corrections Department Probation and Parole Division as a result of an audit to address an area of non-compliance. The plan of action will be reviewed by the Division for acceptance or further action. This form must be filled out completely by the contractor. A separate corrective action must be completed for each finding of non-compliance.

Contractor's Name: _____

Date of Audit: _____ Name of auditors: _____

1. Area of non-compliance (*describe*): _____

(Section 1 to be verbatim from the audit report)

| TASK | STAFF ASSIGNED | DATE TO BE COMPLETED |
|-------------|-----------------------|-----------------------------|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |

These Corrective Actions only include those areas of non-compliance that were not corrected immediately on-site.

Program Director

NEW MEXICO CORRECTIONS DEPARTMENT

COMMUNITY CORRECTIONS
CORRECTIVE ACTION PLAN

Technical Assistance Requested (*must be included as a part of corrective action plan*): _____

Justification for time extension (*indicate amount of additional time requested*): _____

Program Director

Reason for disapproval: _____

Division Director

APPROVED: _____
DISAPPROVED: _____