



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit
Process of Ordering, Collecting, and
Applying Fees From Criminal Proceedings

Report Number:
05-607-03L

Released:
November 2004

District and circuit courts convict individuals of misdemeanor and felony criminal offenses and order the individuals to pay fees or assessments as part of their sentences. There are numerous entities involved in the process of ordering, collecting, and applying fees from criminal proceedings. The entities that play a primary role and whose records were included within the scope of this audit are the Michigan Supreme Court, the State Court Administrative Office (SCAO), district courts, circuit courts, county clerks, and the Department of Corrections (DOC).

Audit Objective:

To determine if district and circuit courts ordered individuals convicted of felonies and serious misdemeanors or specified misdemeanors to pay restitution, costs, fines, probation supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Audit Conclusion:

We determined that district and circuit courts generally ordered individuals convicted of felonies and serious misdemeanors or specified misdemeanors to pay restitution, costs, fines, probation supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Reportable Condition:

District and circuit courts did not consistently comply with the *Michigan Compiled Laws* when ordering defendants to pay assessments. The SCAO needs to provide additional direction and guidance to

the district and circuit courts to assist the courts in complying with statutory requirements. (Finding 1)

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Audit Objective:

To determine if district courts, circuit courts, and county clerks collected and applied payments from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Audit Conclusion:

We determined that district courts, circuit courts, and county clerks generally collected and applied payments from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Reportable Conditions:

The circuit courts need to improve the accuracy and completeness of their financial account records related to criminal assessments. The SCAO needs to provide additional guidance to the circuit courts to assist the courts in maintaining accurate financial records related to criminal assessments. (Finding 2)

District and circuit courts did not consistently comply with the *Michigan Compiled Laws* or the *Michigan Court Administration Reference Guide* when applying payments received from defendants. The SCAO needs to provide additional direction and guidance to the district and circuit courts to assist the courts in complying with statutory requirements and SCAO guidelines. (Finding 3)

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Audit Objective:

To determine if DOC collected and applied payments received from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Audit Conclusion:

We determined that DOC generally collected and applied payments received from persons ordered to pay restitution and probation and parole supervision fees arising out of criminal proceedings as required by law.

Reportable Conditions:

DOC needs to improve its monitoring of probationers' and parolees' payments of court assessments and probation and parole supervision fees (Finding 4).

DOC did not consistently record offenders' restitution amounts in its Trust Accounting Payroll System (Finding 5).

DOC did not apply payments received from probationers and parolees as required by Section 775.22 of the *Michigan Compiled Laws*. Also, the *Michigan Compiled Laws* do not contain specific language authorizing DOC to collect costs, fines, assessments, and other payments arising out of criminal proceedings from prisoners. (Finding 6)

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Agency Response:

Our report contains 3 findings and 3 corresponding recommendations directed to the SCAO and 3 findings and 4 corresponding recommendations directed to DOC. The SCAO responded that it agrees with the 3 recommendations and has initiated corrective action. DOC responded that it agrees with 2 recommendations (Findings 5 and 6) and will initiate corrective action. DOC also responded that it partially disagrees with 2 recommendations (Findings 4 and 6) and that it will initiate corrective action for those portions with which it agrees.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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