

# Internal Audit Report

*Cuyahoga County, Ohio*  
*Department of Internal Auditing*

**Cuyahoga County Sheriff's Office**  
**Commissary Department**  
**January 1, 2011 – August 31, 2013**

**Director of Internal Auditing: Valerie J. Harry, CPA**





**CUYAHOGA COUNTY  
DEPARTMENT OF INTERNAL AUDITING**

**INTERNAL AUDIT REPORT  
Cuyahoga County Sheriff's Commissary Department  
Cover Letter**

March 2, 2014

To: Sheriff Frank Bova

and the current management of the Cuyahoga County Sheriff's Office Commissary Department:

The Department of Internal Auditing (DIA) has conducted an audit over the financial operations and general accounting of the Cuyahoga County Sheriff's Office Commissary Department (referred to within this report as "the Department"), for the period of January 1, 2011 through August 31, 2013. The audit objectives were to determine whether controls in place are adequate to safeguard assets from abuse, errors, and loss; revenue transactions and department funds are properly supported, recorded and deposited in their entirety in a timely manner and in accordance with all governing laws and regulations; and expenditures are properly approved and recorded.

To accomplish our objectives, we focused on operational controls of the Department, the major revenue and expenditure cycles as well as specific compliance mandates. Interviews with management and staff along with general walk-throughs of each revenue and expenditure cycle were conducted in order to document the controls in place. In addition, substantive testing methods utilized included analytical procedures, tests of detail using sampling methods as well as confirmation of bank account balances.

Our audit procedures disclosed internal control weaknesses relating to the Department's revenue and expenditure cycles, asset safeguarding, and recordkeeping. Non-compliance with Ohio Revised Code was also identified. This report provides the details of our findings.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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The Department of Internal Auditing would like to express our appreciation to the staff of the Department and interrelated departments that assisted throughout the process for their courtesy and cooperation during this audit. A draft report was provided to the Sheriff and the Commissary Supervisor for comment and their responses are included.

Respectfully,

*Valerie J. Harry, CPA*

Valerie J. Harry, CPA  
Director of Internal Auditing

Cc: Audit Committee  
Cuyahoga County Council  
Sharon S. Jordan, Chief of Staff  
Law Department

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## Background

The Cuyahoga County Sheriff's Office operates a Commissary for the purpose of offering items for sale to inmates. These items include snack foods, hygiene products, writing materials, and telephone calling cards. Prices should be set by the Commissary to allow the Commissary to be self-supporting and provide a modest return above costs. This profit may only be used for purposes of inmate welfare and rehabilitation. The Commissary uses an inmate management system called IMACS to track inmate funds and they use QuickBooks to pay expenditures from the Commissary bank accounts. There are three cash collection points: Booking, Mailroom, and Kiosk. Booking receipts the funds physically on the inmate at the time of incarceration. The Mailroom receives money orders from family and friends to apply to inmate accounts and the Kiosk accepts cash only and is located in the inmate visitation area of the Justice Center. Although there are no limits as to how much an inmate may have in their account their purchases are limited to \$50.00 plus a maximum of three telephone cards each per week. The Commissary takes in approximately \$2.4 million of inmate funds annually. Refunds are made on these inmate accounts when the inmate is released or transferred to another facility.

Our audit procedures disclosed non-compliance with Ohio Revised Code Section 341.25, Attorney General Opinion 08-31, and Auditor of State Bulletin 97-11 as well as internal control weaknesses. This report provides the detail of our findings. The findings are grouped into two categories: noncompliance findings beginning on this page and internal control findings beginning on page 3. The most significant findings are: **Miscellaneous Noncompliance (page 1)**; **Inventory Control of Items Held for Resale to Inmates (page 4)**; **Cash Overages and Shortages (page 8)**; and **Expenditure Processing (page 10)**.

## Findings

### **NONCOMPLIANCE FINDINGS**

#### **Miscellaneous Noncompliance**

There are several rules and regulations that govern how a Commissary fund is to be managed;

- ORC 341.25 (B), "Commissary fund revenue over and above operating costs and reserve shall be considered profits. All profits from the commissary fund shall be used to purchase supplies and equipment, and to provide life skills training and education or treatment services, or both, for the benefit of persons incarcerated in the jail, and to pay salary and benefits for employees of the sheriff who work in or are employed for the purpose of providing service to the commissary. The sheriff shall adopt rules for the operation of any commissary fund the sheriff establishes."
- Attorney General (AG) Opinion 08-31 states that "prescription medication for inmates may not be purchased using Commissary funds."
- Auditor of State (AOS) Bulletin 97-11 states "The amount of the reserve shall not exceed 30 days of operating costs of the Commissary fund."

The Sheriff's Office does not have written rules for the operation of the Commissary fund. In addition the following instances were noted during testing of 61 Commissary expenditures;

- The Commissary fund was used to purchase prescription medication for an inmate.
- There was one instance in which \$31,089.50 was transferred from the Commissary fund to the Sheriff's Office general fund for the purchase of Jail Medical computers on 7/19/2011. The money was never used for this purpose.
- The Commissary fund had a balance that exceeded 30 days' worth of operating costs and a reserve. During the audit period (1/1/11-8/31/13) the commissary account month end balance ranged anywhere between \$937,524 and \$1,232,757. The average operating costs for 30 days is approximately \$125,000 (not including employees' allowable salaries).
- \$325,000 was transferred from the Commissary fund to the Sheriff's Office general fund for the purpose of paying salaries of Commissary staff. This is an allowable expenditure; however, there was no invoice or memo from payroll that gave the amount of salary and benefits for Commissary employees. There was also no evidence that any expense adjustment was done on the payroll expenses from the index codes of the Commissary staff.

The Sheriff's Office Commissary Department does not have proper controls in place to assure that expenditures are for proper public purpose and only benefit persons incarcerated in the jail.

Failure to adopt rules and policy and procedures for the operation of the Commissary Department can lead to noncompliance or undefined actions that are outside of management's intentions or expectations.

### **Recommendation**

DIA recommends the following in regards to ORC 341.25, AG Opinion 08-31, and AOS Bulletin 97-11:

- If jail supplies are purchased using Commissary funds, and they exceed the minimum standards for the operation of the jail, then it should be documented that minimum standards for jail operations are being exceeded.
- All applicable laws and rules should be followed in regards to the expenditure and account balance of Commissary funds; including ORC 341.25 and all applicable AG Opinions and AOS Bulletins.
- If the Sheriff's Office elects to pay Commissary employees from the Commissary fund than an invoice or memo should be obtained from payroll that gives the exact amount of salary and benefits for employees. These funds may then be used to pay the Commissary staff and payroll expenses should be adjusted accordingly.
- The Commissary fund balance should be reviewed to determine the average monthly operating costs and a plan should be developed to make the necessary adjustments to the excess funds that have accumulated in that fund.

### **Management's Response**

***Once, in an emergency, Commissary funds were used to purchase inmate medication. We will voucher the Sheriff's General fund to reimburse commissary for this amount.***

*Due to the very involved purchasing process, especially for capital, these computers were not purchased in 2011 and the funds were paid back to commissary. However, in 2014, computers were purchased for jail medical using commissary funds.*

*The \$325,000 that was transferred from Commissary to the Sheriff's General fund was viewed as a reimbursement to the General fund from Commissary to cover the majority of the wages and benefits of the Commissary Office and Correctional employees. A spread sheet was supplied to internal audit outlining the cost of these employees in 2011. The total cost was \$359,017.80. Moving forward, if the Cuyahoga County Sheriff's Department (CCSD) decides to use Commissary funds for employee wages and benefits from the Commissary account, it will be appropriated accordingly in the Sheriff's General fund and expense adjusted.*

### **INTERNAL CONTROL FINDINGS**

#### **Policy and Procedure Manual**

Written policies and procedures ensure consistency in the operations of an agency. Existence of codes of practice and other regulations or guidance regarding acceptable practices, conflicts of interest, or expected standards of ethical and moral behavior, and their communication throughout the organization is an essential part of a policy and procedure manual. Furthermore, a policy and procedure manual assures consistency in day-to-day operations. Formalized procedures reinforce management's expectations for the agency.

The Commissary Department provided a document with services provided and daily procedures performed however, the department does not have a formal policy and procedure manual in place. They also lack internal controls and other forms of guidance regarding acceptable practices, conflicts of interest, or ethical and moral behavior.

Policy and procedure manuals are not present in the Department because it wasn't in their practice to develop such a system of controls and a standard level of guidance.

Failure to have some form of internal guidance may result in undefined procedures that can lead to inconsistency in the operations of the agency as well as actions and discipline that are inconsistent with the intentions of management.

#### **Recommendation**

DIA recommends the Department develop a policy and procedure manual. Within the manual the Commissary should adopt the County's policies and procedures as well as policies and procedures specific to Commissary operations. The manual should include these additional items, at a minimum:

- Documentary narratives of daily and monthly operations describing significant steps and procedures (e.g. purchasing/selling inventory, voiding transactions, handling overages, etc.).
- Documentation of all accounting procedures performed, including reconciliations and review procedures (e.g. who should be present during cash counts, approval of expenditures, etc.).
- Record retention.

- A list of references to applicable local, state, and federal regulations.
- Procedures for monitoring commissary and inmate trust funds.
- Capital asset/inventory listing, along with procedures for updating annually.
- Safeguarding procedures (including cash, inventory, computer, and physical controls as well as securing personal information).
- A list of standardized forms utilized including a description of their purpose.

Once drafted, the policy and procedure manual should be approved by the Sheriff and the Director of Public Safety and Justice Services.

### **Management's Response**

***The CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures. The Request For Proposal (RFP) for the new inmate commissary system is currently awaiting Technical Advisory Committee (TAC) approval. Once received, it will be submitted for the Deputy Chief's Approval (DCA) and then will be released. This new commissary system will completely automate the Commissary department. This new system should be in place by the fourth quarter of 2015. Once in place, the Commissary Supervisor will work with the Sheriff, the Sheriff's Special Assistant and the Fiscal Manager to put into place a new policy and procedure manual. This manual will also include all Standard Operating Procedures (SOP), standardized forms, inventory control and all applicable regulations. Some of the items included in the new automated Commissary system will include new inmate phones, in-pod kiosks that will allow inmate's to electronically place commissary orders, deposit kiosks, video visitation, inmate management system, inventory control software with bar-code scanning capabilities, automated deposits from family and friends and a new accounting system. This new system will entirely change the way Commissary currently operates which is why new policies and procedures will be addressed once implemented.***

***The capital asset and inventory listing will be completed annually as required by County Fiscal.***

### **Inventory Control of Items Held for Resale to Inmates**

The Commissary Department is responsible for the ordering, disbursing, and the safekeeping of all items that are available for purchase by jail inmates. It is important that all items are properly accounted for as the money that is made from the sale on items is used to fund inmate programs, pay Commissary bills, and purchase jail supplies.

DIA obtained the point in time Commissary Product Inventory Summary from the IMACS system on March 26, 2014 and performed a count over selected items. DIA haphazardly selected one item from each category (Stationary, Hygiene, Health, Clothing, Cookies, Snacks, Candy, and Drinks) out of 134 total items to test for existence. The following discrepancies were noted:



Item	Number on Inventory Count Sheet	DIA Physical	Variance	Cost Gain/(Loss)	Sales Gain/(Loss)
Honey Buns	2,777	2,766	(11)	(\$6.71)	(\$8.80)
Nacho Cheese Doritos	1,904	1,892	(12)	(\$4.32)	(\$6.60)
Snickers Bars	1,183	1,167	(16)	(\$9.39)	(\$11.94)
Postage Stamps	269	257	(12)	(\$5.88)	(\$5.88)
Wave Caps	76	4	(72)	(\$210.96)	(\$226.80)
Watermelon/ Strawberry Drink	239	238	(1)	(\$1.82)	(\$2.25)
T-Shirt Large	48	51	3	\$9.60	\$12.75

- The Commissary Product Inventory Summary also had 19 instances in which the quantity on hand was listed as a fractional value.

In addition DIA obtained the Item Adjustment Reports that are completed when a physical inventory is taken. The following discrepancies were noted and inventory records were adjusted by the Commissary Department during 2013:

Finding Description	Cost Gain/(Loss)	Sales Gain/(Loss)
<b>Total adjustments for 2013</b>	(\$5,521.76)	(\$6,726.51)
<b>Total damaged goods adjustments for 2013</b>	(\$335.20)	(\$477.62)

It was also noted the sale price for items is only reviewed if there is an increase in the price from suppliers. There was no evidence of this review. When the price is set there is no criterion that is used in order to determine what that price should be. Profit percentages ranged anywhere between 6%-62%. There has also not been a review of the vendors that supply the items that are sold in Commissary. The same vendors have been used for years without orders being bid or obtaining quotes from other vendors.

All orders and corrections to orders are manual entries into the IMACS system. It is probable that user errors are occurring in the IMACS system since manual input is required. However, there is no policy to address these errors or the adjustments being done in IMACS to correct these issues. Additionally the Department is not actively pursuing credits from vendors for damaged goods and security cameras are not present over inventory areas.

Without the use of security cameras, lack of a physical inventory being taken, no periodic checks of packed items delivered to inmates, and no further investigation into out of balance items, there is an increased risk of theft or misappropriation of items. A lack of pursuing credits for damaged goods, not having a sale price review, and failing to request quotes from vendors can lead to profits falling below management expectations.

### **Recommendation**

DIA recommends the Department develop internal policies in regards to the inventory that is available for sale to jail inmates. The policies should address at a minimum the following:

- A full inventory be taken on at least a monthly basis.
- If an item is found to be out of balance to the inventory summary then there should be an established dollar threshold that if exceeded would trigger an investigation as to why the item is out of balance. This investigation and its results should be properly documented.
- The Commissary Supervisor should approve all item adjustments made to inventory.
- After a full inventory has been taken there should be no fractional values listed as inventory on hand.
- Correction Officers that monitor the trustee inmates' packing of the orders that are ultimately delivered to inmates should randomly check to assure that orders are being correctly filled.
- Significant amounts of goods deemed to be damaged or spoiled should be further investigated.
- If there are damaged goods in an order the Commissary Department should seek to get a refund or a credit on future purchases.
- Sale prices for items should be reviewed on, at least, an annual basis. The review process should include criteria by which sales prices are set. Examples of criteria may be similar markup on similar items i.e. Candy, Cookies, and Drinks or comparison to other jail commissaries with similar characteristics i.e. geographic, demographic, and jail size.
- There should also be a vendor review for the items that are sold in Commissary. The review should be held on, at least, an annual basis and include requesting quotes from various vendors for items to assure the lowest price is being obtained.

### **Management's Response**

***Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures.***

### **Distribution of Free Commissary Goods**

DIA noted insufficient control over the distribution of free commissary goods during our walkthrough and test of inventory shortages. The Commissary mentioned inventory shortages could result from the issuance of free goods, spoilage, stolen goods by inmate trustees or others with access to Commissary goods.

The Commissary issues free goods to both indigent inmates to cover basic necessities and to inmate workers (trustees) in return for their assistance in the Commissary. Although the Commissary keeps a record of packages given to indigent inmates, there is no record of free goods given to inmate trustees.

No written procedures govern the distribution of free Commissary goods to inmate trustees. Since the distribution of free goods is not adequately tracked, accurate records of inventory cannot be assured.

### **Recommendation**

The distribution of free goods to inmates should only be done in accordance with procedures and guidelines that have been put in place. Exceptions to the policy should only be made with written approval from designated employees.

### **Management's Response**

***Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures. In 2015, Commissary and the receiving dock will have a new inventory control system, complete with bar-code scanners and the ability to reconcile as needed. Commissary has currently made some temporary changes to the inventory control process with a manual reconciliation being performed weekly.***

### **Cash and Physical Security**

All money received by the Sheriff's Office should be protected until it can be deposited. Cash safeguard controls can consist of physical safeguards such as a locked safe.

During the walk-throughs of cash collection processes and physical security of the Department, we noted cash was properly placed in the safe; however, the safe was not securely locked. Also, the combination to the safe has not been recently (if ever) changed. We also noticed no cameras were within the inventory storage room or the office in which cash is counted.

Without strong physical controls over money there is an increased risk of unauthorized access or theft of public monies.

### **Recommendation**

To improve internal controls over cash accountability, we recommend the Commissary Department address these issues and develop policies and procedures that include the following:

- Safe combinations should be changed, at least, on a yearly basis or when an employee leaves the department or division.
- The safe should always be securely locked when cash is placed inside.
- A security assessment should be completed for areas in which cash and inventory is being handled to see if security cameras can be installed.

### **Management's Response**

***Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures. However, in the meantime, Commissary has implemented the***

***recommendations made by Internal Audit and is currently researching the need for cameras in certain areas of Commissary.***

### **Cash Overages and Shortages**

The Commissary Department of the Sheriff's Office is responsible for counting and depositing all monies put into inmate commissary accounts from the booking office, the mailroom, and the visitation kiosk. It is imperative that there are adequate safeguards and policies for the handling and accounting of money.

There were instances noted in which the money that was counted by the Commissary staff did not match what was reported on the kiosk report. Additionally,

- There was no consistent form for supporting documentation that was kept for each instance of overage.
- Overages were kept in the Commissary safe from the time it was counted until deposited in the Commissary bank account for anywhere between 1 and 136 days.
- Ten days of overages were tested. In six of those ten days the Commissary supervisor's spreadsheet showed reported overages that were not shown as overages on the daily cash flow log.

The Department does not have a Policy and Procedures Manual that gives guidance as to what to do with unexplained cash overages and what documentation should be created and kept for that overage.

Without effective internal controls and consistent documentation of overages it is difficult to determine that money was properly attributed to the correct inmate or properly deposited into the Commissary bank account in a timely manner. There is also an increased risk of the money being misappropriated.

### **Recommendation**

DIA recommends the Department deposit all money that is received for the day from the booking office and the visitation kiosk into the Inmate Trust Fund account. Money that is unexplained at the time of collection should be deposited and later posted to the proper inmate account as it becomes evident to whom the money belongs. Any difference between the actual cash count and reports of money received should be noted on the daily cash flow log.

The Department should also develop a policy that addresses a consistent form of documentation that should be created and maintained when an overage is discovered, when the overage is explained, and when it is deposited into the Commissary bank account.

### **Management's Response**

***Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures. However, in the meantime, Commissary has implemented the recommendations made by Internal Audit.***

## **Voids**

The Commissary Department of the Sheriff's Office is responsible for processing and issuing checks for the balance of an inmate's Commissary account upon their release from County Jail. The Department is also responsible for sending checks to other correctional institutions or halfway houses when an inmate is transferred. These checks may be voided by the Commissary staff for a variety of reasons. No support documentation or approval of voided checks was evident.

DIA obtained a list of all voided checks that had been issued by the Department from 1/1/11-8/31/13. There were a total of 632 voids during the audit period. These voids came from a total of 16,614 release checks from 1/1/11-8/31/13 and from the 2010 checks that were not cashed after one year. This is a total of 3.8% of checks that were voided. Twenty voided checks were randomly selected and tested for supporting documentation, a reason noted as to why the void was necessary, and the voided check did not clear the bank. The following instances were noted:

- 7 of the 20 (35%) voided checks did not have some sort of supporting documentation associated with them.
- 7 of the 13 (54%) voided checks, which had support, did not have a reason noted as to why the void was necessary.

The Department does not have a written policy that addresses what supporting documentation is to be kept for voids or that a reason should be recorded as to why the void was necessary. Lack of supporting documentation or explanation for the void may lead to an incorrect void being made.

## **Recommendation**

DIA recommends the Department develop internal controls over the process of voiding checks, which at a minimum, includes the following:

- Supporting documentation should be maintained for all voids that are made by the Department. This may include the voided check itself. If the check is not available then, as support, a log should be maintained that states why the check was not maintained for support.
- A reason should be noted on the voided check or on the log as to why the void was performed.
- Approval by an immediate supervisor should be evident on voided checks.

DIA also advises the Department analyze the necessity of voids and determine if there is a way to improve processes to reduce the number of voids that are occurring.

## **Management's Response**

***Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures. This does involve a new accounting system that will include an inmate release debit card which should reduce or eliminate the number of voids. However, in the meantime, Commissary has implemented the recommendations made by Internal Audit and is maintaining more supporting documents for voided checks.***

## **Expenditure Processing**

The Cuyahoga County Sheriff's Office Commissary Department purchases inventory items for the benefit of County inmates from multiple vendors. These purchases are made from the Commissary profits bank account and accounted for in Commissary's financial system, QuickBooks.

The Commissary Department does not have written procedures in regards to their expenditure activities. DIA haphazardly selected 60 transactions and one high dollar transaction for a total sample of 61 Commissary disbursements from 2011-2013 and noted the following:

- One of 61 transactions did not have sales tax removed from the total purchase price.
- Five out of 61 transactions did not have an invoice or receipt of goods maintained with the payment.
- Six of 61 transactions did not have a signature or stamp indicating the purchased item was received by responsible parties.
- 39 out of 61 transactions did not include a signature or email noting who approved the expenditure.

During our testing, 20 televisions were purchased from Best Buy without an accompanying invoice, receipt, or contract nor was there any proof the televisions were received by a responsible party. Commissary informed DIA the televisions were picked up at the store by an employee. This creates an increased risk of theft and unauthorized purchases as large ticket items were not delivered and received by the Sheriff's receiving dock.

Finally, during review of the QuickBooks report, on which disbursement data was taken, and inquiry of Commissary staff, we noted the department does not include a detailed description on each transaction. Transactions in QuickBooks are listed with the check number, vendor name, account, and date. Detailed descriptions in each transaction would effectively increase review and monitoring controls.

All of these issues are a result of a lack of written policies and procedures regarding purchasing. Furthermore, the potential for an unauthorized purchase increases without adequate internal controls in place.

## **Recommendation**

The Sheriff's Office Commissary Department should develop policies and procedures regarding their purchasing activities. These policies should be approved by the Sheriff and should address at a minimum the following:

- Documentary narratives of daily and monthly operations describing significant steps and procedures for processing expenditures.
- The type of documentation and approval necessary to initiate the purchase of goods.
- Invoices and documentation showing receipt of goods should be required for payments to be made out of Commissary funds.

- All purchased items should be signed for when they are received by a responsible party. In addition, Commissary should keep detailed files on items they receive that includes, at least, the following:
  - Item description, which includes; quantities, serial numbers, or order numbers.
  - Date item received.
  - Location of item.
- Detailed descriptions should be noted for every transaction in QuickBooks.
- Employee pick-up of goods should only be done in an emergency situation with supervisory approval.

### **Management's Response**

***Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures. In 2015, Commissary and the receiving dock will have a new inventory control system, complete with bar-code scanners and the ability to reconcile as needed. Commissary has currently made some temporary changes to the inventory control process with a manual reconciliation being performed weekly.***

### **Verification on Inmate Release Checks**

The Commissary Department is responsible for releasing inmate trust funds when inmates transfer from the Cuyahoga County jail to another jail or when inmates are released from the Cuyahoga County jail. The Department noted they cannot release inmate trust funds to an inmate until the day following the inmate's release. The Department obtains a fingerprint scan through IMACS when an inmate arrives to receive their Commissary money. If a fingerprint scan is not taken, the Commissary researches the inmate in IMACS and compares the photo in IMACS to the individual requesting the money. During our walkthrough of this process, DIA noted no supporting documentation (i.e. fingerprint scan, photo identification) is maintained on the inmate verification.

Maintaining supporting documentation of this process is necessary for Commissary's operations. Commissary could be at risk of releasing inmate funds to the wrong individual if lacking documentation to assure inmate funds were released to the correct individual. Furthermore, the Sheriff's Office would be liable to the inmate for funds released to an incorrect individual.

### **Recommendation**

The Commissary Department should develop formal procedures in releasing Commissary funds to inmates. We recommend Commissary personnel maintain supporting documentation when verifying individuals before Commissary funds are released. Specifically, maintaining driver's license identification with a signature from the individual would verify the inmate was present when funds were released. If an individual is receiving the funds on behalf of the inmate, a power of attorney should be requested and maintained.

**Management's Response**

*Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures. This does involve a new accounting system that will include an inmate release debit card. However, in the meantime, Commissary has noted the recommendations made by Internal Audit and is making some temporary changes until the new automated system is in place.*

**Inactive Inmate Account Balances**

The Sheriff's Commissary Department is responsible for maintaining all Commissary inmate account balances. Having effective monitoring controls on all these accounts is crucial to the operation of the Department.

DIA obtained an "Inactive Inmate Account Balance" report from IMACS. This report listed inactive account balances since the Commissary Department began using IMACS in the early 2000's. The report included the names of 16,714 inmates, with funds on hand totaling \$132,039. After inquiring with Commissary staff, these account balances will remain in IMACS and the Inmate Trust Fund bank account until the funds are requested by the inmate or the inmate returns to jail. There are no formal written procedures on accounting for these balances over a long period of time.

The Commissary Department has always retained these funds due to the possibility of inmates returning. Without having a policy in place on old inmate account balances the Department continues to increase the amount of inmate account balances needed to be tracked and monitored. Furthermore, the unnecessary funds in the inmate trust fund bank account could increase the likelihood of money being misappropriated.

**Recommendation**

DIA recommends the Commissary Department develop a policy on inactive inmate account balances. This policy should address transferring inactive inmate account balances to the Treasurer's Office after a predetermined amount of time the balance is inactive, i.e. 2 years. These funds should be treated as unclaimed funds according to Ohio Revised Code 9.39.

This policy should also address negative balances. The Department should consider writing off inactive negative balances after an approved amount of time authorized by the Sheriff.

**Management's Response**

*The Sheriff's Office is in agreement and will include this procedure in a policy and procedure manual. Commissary will begin to establish a cut-off date and send inactive inmate account balances to the Treasurer's Office to be treated as unclaimed funds.*



### **Automated System for Commissary Orders**

Inmates complete Commissary order forms that are distributed to them on weekly basis. Each order form is labeled with the inmate's name, Sheriff's Office identification number, jail location, and inmate's account balance. The order forms are bubble sheets in which the inmate indicates the item and quantity desired, within the \$50 weekly limit.

During a walkthrough of the order filling process it was noted that Correction Officers physically have to enter the following into IMACS to generate a packing slip:

- All items requested;
- All quantities of each item desired; and,
- The money to be removed from the inmate's account.

The Department does not currently have the ability to efficiently scan orders into IMACS. The manual entry of order forms is an inefficient and time consuming process which may result in errors. Additionally, other necessary Commissary duties could be performed in place of having to manually enter inmate orders on a daily basis.

### **Recommendation**

DIA recommends the Department research how order sheets can be electronically scanned into the IMACS system so a packing slip can be automatically printed and the money removed from the inmates' account. This may include purchasing better scanning technology or redesigning the current order sheet. If possible, the Department should research other ways of automating the Commissary order process through telecommunication or computer technology within the jail.

### **Management's Response**

***Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures.***

### **Privacy Controls**

Government agencies are entrusted with the duty of collecting sensitive and private information and establishing the necessary processes and procedures to safeguard the personal data citizens entrust to them. Various departments within the Sheriff's Office collect personal information. ORC 1347.12, in part defines personal information as an individual's name, in combination with and linked to any one or more of the following data elements; social security number; driver's or state identification card number; account number or credit or debit card number in combination with and linked to any required security code, access code, or password that would permit access to an individual's account. This type of information may be stored on paper records as well as within various systems in which employees of the Sheriff's Office have access.

During walkthroughs of the Commissary Department we noted the computer terminal in the outer office of the Department was positioned in such a way that members of the general public could view the private information that was on the screen.

The Sheriff's Office does not have policies and procedures that address how personal information is to be protected for all departments.

This weakness may result in unauthorized usage of social security numbers or other private information, and illegal activities by the public.

### **Recommendation**

We recommend the Commissary Department develop internal policies that address how confidential information is to be protected from the general public.

### **Management's Response**

*Please refer to the response provided in the first internal control finding on page 4 as the CCSD is in the process of completely revamping the entire Commissary department's processes, duties, responsibilities and procedures. CCSD will begin working on a new policies and procedures manual once the entire new system is implemented and working. The observations made by Internal Audit were noted and addressed immediately.*

### **Job Descriptions**

Every agency should develop formal job descriptions for each employee that outlines all duties and requirements encompassing the position. Such descriptions are essential for balancing work levels and defining the responsibilities of all employees.

The Commissary Department does not have formal job descriptions approved by the Sheriff or by Human Resources.

Without well-defined job descriptions, there is a lack of concrete responsibilities and direction in which the employees are to follow and be held accountable for. This could lead to underperforming and ultimately not achieving the Department's goals and mission. Additionally, it could lead to inefficiency in the work place as a result of redundancy in work being performed as well as individuals not being able to complete assigned tasks.

### **Recommendation**

DIA recommends the Department create formal job descriptions. Once they are drafted, they should be approved by the Sheriff and sent to Human Resources. The job descriptions should list the functions and requirements of the job in order to give the employee a clear understanding of the tasks that he/she will be asked to perform in order to achieve the department's goals and objectives in support of their mission.

**Management's Response**

***The classification specification for the Commissary Clerk position was recently reviewed and revised by the Archer Company during the fall of 2014. These revisions were the result of Comprehensive Position Questionnaires (CPQs) the Communication Workers of America Local 4340 membership completed per the terms of their collective bargaining agreement. The classification specifications are designed to be a broad description and encompass the general duties of the various jobs within the description. The new policies and procedures that will include the SOPs will address the specific duties expected of these Commissary Clerks.***