

Audit Report

Department of Corrections

Inmate Funds



Office of the County Auditor
Baltimore County, Maryland
April 2010



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April 8, 2010

Honorable Members of the County Council
Honorable James T. Smith, Jr., County Executive
Baltimore County, Maryland

We have audited the procedures and controls for inmate funds maintained by the Department of Corrections (DOC) for the period June 1, 2008 through June 2, 2009. The DOC is responsible for the custody of all cash carried in by or received on behalf of inmates incarcerated in the Detention Center. We estimate that inmate funds received during the approximate 1-year audit period totaled \$2,280,000.

Our audit disclosed that the DOC did not establish adequate segregation of duties over inmate funds; did not adequately control the physical access to inmate cash; did not follow proper procedures for recording and depositing cash receipts; did not fully utilize the accounting system to account for inmate funds in accordance with generally accepted accounting principles; and did not always maintain adequate supporting documentation for inmate fund transactions.

Our audit scope was limited with respect to the DOC's documentation of commissary purchase transactions since the DOC discarded the commissary order forms after 30 days. Due to this condition, we were unable to determine, with reasonable assurance, that the disbursement of inmate funds for commissary purchases was accurate and that the correct amount of rent (based on a percentage of commissary sales) was paid to the County.

A response to our findings from the DOC is included as Appendix A to this report. Our comments regarding the DOC's response are included as Appendix B.

We wish to express our appreciation to the DOC for the cooperation and assistance extended to us during our audit.

Our audit reports and responses thereto are available to the public and may be obtained on-line at "www.baltimorecountymd.gov/agencies/auditor" or by contacting the Office of the County Auditor, 400 Washington Avenue, Towson, Maryland 21204.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary P. Allen". The signature is written in black ink and includes a long horizontal flourish at the end.

Mary P. Allen, CPA, CGFM
County Auditor

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Background

The Department of Corrections (DOC) is responsible for the custody of all cash carried in by or received on behalf of inmates incarcerated in the Detention Center. Upon admittance to the Detention Center, the DOC takes custody of all money an inmate is carrying and establishes an accounting record for the inmate's funds. During incarceration, inmates can receive funds (e.g., money orders, work release paychecks) and can spend funds to make purchases from the commissary (e.g., food, personal hygiene products) and to pay for incarceration-related costs (e.g., lab fees for drug tests, room and board when applicable). Additionally, work release inmates may request funds for use within the Detention Center (e.g., pay-phone calls, vending machine purchases) and for work-related expenses (e.g., bus fare). Any funds remaining in an inmate's account at the time of release are returned to the inmate.

The DOC maintains a noninterest-bearing checking account for funds held on behalf of the inmates. In addition, the DOC keeps \$3,000 to \$4,000 of cash on hand to disburse to work release inmates upon request and to return to inmates upon their release. When inmates are released, the DOC returns a minimal amount of cash (approximately \$20) to each inmate and returns the remainder of the inmate's funds by check.

We estimate that inmate funds received during the audit period totaled \$2,280,000. The DOC advised that during the audit period it received \$845,000 consisting of cash at intake (\$580,000) and work release inmates' paychecks (\$265,000); however, the DOC was not able to provide the total amount received from inmate money orders or other sources. We estimate that the DOC received approximately \$1,168,000 from inmate money orders and approximately \$267,000 from other sources during the audit period based on our review of inmate transactions recorded in the DOC's financial system.

The County engages a contractor to operate a commissary at the Detention Center to sell food, personal hygiene products, and other items to inmates. Each inmate can purchase items from the commissary once per week provided the inmate's account has sufficient funds. The commissary staff are responsible for recording the total purchase amount as a disbursement from the inmate's account. The contractor leases space in the Detention Center for the commissary operations and pays the County a percentage of the commissary sales (gross sales less sales tax) as rent for this space. The contractor paid the County approximately \$99,000 of rent during FY 2009.

Findings and Recommendations

1. Adequate segregation of duties was not established over inmate funds.

Effective internal control requires the segregation of incompatible duties to ensure that assets are protected against the risk of loss, misuse, or theft. An “incompatible” duty is one that would put a single individual in the position of being able to both commit an illegal act and then conceal it. Our audit disclosed that DOC financial personnel were performing incompatible duties. For example, we noted that one account clerk is responsible for the following incompatible duties:

- Carrying the cash envelopes from the safe in processing and the money orders from the lobby drop box to the accounting office;
- Reconciling the cash received during intake with the amount recorded on the “Funds Upon Entry” cash receipts log, the cash envelope, and the financial system;
- Posting the money order receipts to the inmates’ accounts in the financial system;
- Preparing the bank deposit slip for cash and money orders; and
- Accessing inmate account records to record other transactions affecting the inmates’ accounts (e.g., charges for services, disbursing funds upon release).

We also noted that although certain DOC financial personnel (i.e., management analysts) are responsible for performing the monthly bank reconciliations, all DOC financial personnel (account clerks, payroll clerk, office coordinator, and office assistant) have the same access privileges to the financial system.

Furthermore, our review disclosed that the money orders retrieved from the lobby drop box are not independently totaled before they are distributed to various DOC account clerks for recording to the inmates’ accounts in the financial system and deposited to the bank. As a result, the DOC lacks assurance that all money orders received are recorded and deposited on behalf of the inmates.

These conditions preclude effective internal control since funds could be lost or stolen without detection.

To improve internal control, we recommend that the DOC utilize existing personnel to segregate incompatible duties and to safeguard cash receipts. To achieve adequate segregation of duties, one employee should not be responsible for collecting, recording, reconciling, and depositing inmate funds. To safeguard cash receipts, we recommend that another DOC employee whose

duties do not include custodial or recordkeeping responsibilities for inmate funds accompany the account clerk when carrying cash and money orders between locations and verify the amount transported. Additionally, we recommend that money orders should first be independently totaled before distribution to various account clerks to ensure that all money orders received are recorded and deposited. Finally, we recommend that access privileges to the financial system be restricted to the employee's job responsibilities.

2. The DOC lacked adequate controls over the physical access to inmate cash.

Effective internal control requires assets to be protected against the risk of loss, misuse, or theft. The DOC maintains approximately \$3,000 to \$4,000 of cash on hand for inmate transactions such as payments to inmates being released (approximately \$20 cash with the remaining funds paid by check) and to work release inmates upon request for expenses (e.g., pay-phone calls, vending machine purchases). We noted that the cash on hand is stored in a safe, which remains unlocked from 6:00 a.m. until the close of business at 5:00 p.m. In addition, the DOC maintains a drop box in the Detention Center lobby for money orders received on behalf of inmates. The safe and the drop box have combination locks and several DOC finance staff know the combinations. Our review disclosed that the DOC does not have a policy that requires the combination locks on the safe or the drop box to be changed when an authorized employee transfers, retires, or is terminated. These conditions increase the risk that inmate funds could be stolen without timely detection.

We recommend that a policy be established that requires the safe to remain locked at all times and requires the combinations to the safe and the drop box to be changed when an authorized employee transfers, retires, or is terminated.

3. Cash receipt logs did not always contain the required signature verifications of cash received and bank deposit slips were not reviewed for accuracy.

The DOC's procedures require all cash received from inmates during intake processing to be placed into individual envelopes and recorded on a cash receipt log called the "Funds Upon Entry" log along with the inmate's name, jail identification number, and date. The procedures further require five signature verifications to be recorded in the "Funds Upon Entry" log. Two correctional officers in processing sign to verify the amount of funds received prior to placing the envelopes in a safe; a processing supervisor and an account clerk sign to verify the amount recorded on each envelope placed in the safe agrees to the amount recorded on the log; and the account clerk signs when taking the cash envelopes from the safe, counting the cash in the

envelopes, and verifying the funds are recorded in the financial system. In addition, the account clerk withholds a portion of the cash to restore the cash on hand to a desired level and prepares a deposit slip for the remainder of the cash receipts for deposit into the bank.

Our audit disclosed that the required signature verifications were not always recorded in the daily logs and there was no supervisory review and signature to verify the accuracy of the deposit slips prior to the funds being deposited into the bank. Specifically, our review of 25 cash receipt entries totaling \$10,804 recorded in 25 daily logs disclosed the following:

- 24 cash receipt entries totaling \$10,757 for which an account clerk did not sign to verify the funds were counted and recorded in the financial system;
- 20 cash receipt entries totaling \$10,067 for which a second correctional officer did not sign to verify the amount of funds received prior to placing the envelopes in the safe;
- 1 cash receipt entry totaling \$4,969 for which the initial correctional officer who recorded the inmate information did not sign the log; and
- 1 cash receipt entry totaling \$47 for which an account clerk did not sign to verify the amount recorded on the envelope agreed to the log.

Additionally, our review of 50 cash receipt transactions disclosed 2 instances where the related deposit slips contained mathematical errors (one for \$300 and one for \$126), which required adjustments to the financial records.

Without the proper signature verifications and supervisory review of deposit slips, there was a lack of assurance that the receipts were adequately safeguarded and properly recorded in the financial system.

We recommend that the DOC comply with existing internal control procedures to properly verify the receipt of inmate funds and establish procedures to ensure the accuracy of the deposit slips for inmate funds deposited.

4. Inmate funds received are not always deposited intact into the bank.

Effective internal control requires cash receipts to be deposited intact into the bank. The DOC takes custody of all cash, checks, and money orders received on behalf of inmates during incarceration. The DOC's policies state that inmate funds are to be deposited into the bank account and may be used by the inmate during incarceration (e.g., for commissary purchases); any funds remaining in the inmate's account at the time of release are returned to the inmate. Our audit disclosed that the DOC does not

always deposit the entire daily cash receipts amount into the bank each day. Specifically, the DOC withholds a portion of the daily cash receipts to keep approximately \$3,000 to \$4,000 on hand for cash disbursements to inmates that are released (released inmates receive approximately \$20 in cash and the balance of their account by check) and to work release inmates that request money for expenses (e.g., pay-phone calls, vending machine purchases). The remaining daily cash receipts are deposited into the bank. Consequently, there was a lack of assurance that all cash receipts were properly accounted for and safeguarded.

We recommend that the DOC deposit all funds received into the bank intact and withdraw funds from the account as needed to replenish the cash on hand. The balance of cash on hand could be set at a level that would require replenishing periodically as determined by management. This procedure is customary when cash-on-hand, such as an imprest petty cash fund, is needed to pay recurring, small expenses.

5. The DOC did not fully utilize the capabilities of its financial system to account for all inmate funds.

The DOC is responsible for the custody, including collection, safeguarding, and disbursement of all funds held on behalf of inmates incarcerated in the Detention Center. Accordingly, the DOC has a fiduciary responsibility to maintain a full accounting (e.g., total assets, liabilities, receipts, disbursements) of all inmate funds. Although the DOC establishes and maintains an accounting record for individual inmate funds in its financial system, the DOC does not fully utilize its financial system's capabilities to account for all inmate funds in accordance with generally accepted accounting principles. For example, the DOC was not able to generate from its financial system the total receipts and disbursements of inmate funds during the audit period or during a fiscal year.

To fulfill its fiduciary responsibility over the custody of inmate funds, we recommend that the DOC fully utilize its financial system's capabilities to provide for a full accounting of inmate funds in accordance with generally accepted accounting principles.

6. The DOC did not always maintain adequate supporting documentation of cash receipt and disbursement transactions for inmate funds.

The DOC's procedures require supporting documentation (e.g., a cash receipt form, commissary invoice) for all cash receipt and disbursement transactions affecting inmate funds. However, the DOC did not always maintain adequate supporting

documentation of all cash receipt and disbursement transactions for inmate funds. For example, our test of 85 transactions totaling \$29,325 disclosed that inmate release statements were missing for 6 disbursements totaling \$544 to released inmates and cash receipt forms were missing for 4 transactions totaling \$690 related to money orders received on behalf of inmates. Consequently, the DOC lacked assurance that inmate funds were adequately safeguarded against the risk of errors or fraud.

We recommend that the DOC comply with its procedures to maintain supporting documentation for all cash receipt and disbursement transactions for inmate funds.

7. Inmate records were not retained in accordance with the DOC's records retention policy.

The DOC's records retention policy requires that inmate commissary orders be retained for 5 years after an inmate's release. Additionally, the DOC's lease agreement with the commissary vendor requires the commissary order forms to be maintained in a manner sufficient for the County to perform an annual audit. We noted, however, that the inmate commissary order forms were discarded after 30 days. Consequently, the DOC did not comply with the records retention policy and lacked the supporting documentation necessary for an annual audit as required by the lease agreement.

We recommend that the DOC comply with its records retention policy and maintain commissary records for the required 5-year period.

8. Disbursement of inmate funds for commissary purchases were not always accurate due to clerical errors in determining the purchase total.

The DOC engages a contractor to operate a commissary to sell food, personal hygiene products, and other items to inmates and leases space to the contractor in the Detention Center for this purpose. As rent for this space, the contractor pays the County a percentage (9% during the audit period) of the commissary sales (gross sales less sales tax). Inmates with sufficient funds in their account can make purchases from the commissary once a week by completing an order form. Commissary staff verifies that the inmate's account balance is sufficient, totals the order, which includes calculating the applicable sales tax, and deducts the total order amount from the inmate's account.

We were unable to test commissary orders throughout the audit period since the commissary orders are discarded after 30 days. However, our test of 100 commissary orders for the week of April 20, 2009 disclosed that the disbursement of inmate funds for commissary purchases was not always accurate due to clerical errors. For example, we noted that disbursements were overstated by \$18 for 3 orders tested and understated by \$49 for 13 orders tested. In addition, we noted one order for which the inmate's funds were insufficient and three orders for which the inmate's funds would have been insufficient had the orders been clerically accurate. The clerical errors included incorrect pricing of items purchased and mathematical errors in totaling the purchases. As a result, the DOC lacks assurance that the disbursement of inmate funds is accurate and lacks assurance that the correct amount of rent is paid to the County since it is based on a percentage of commissary sales.

We recommend that commissary staff review completed order forms to verify the clerical accuracy to ensure that the disbursement of inmate funds is correct and ensure that the correct amount is paid to the County for rent.

9. The DOC did not detect a counterfeit \$20 bill received and rejected by the bank.

Effective internal control requires assets to be protected against the risk of loss, misuse, or theft. During the audit period, the DOC received approximately \$580,000 in cash from inmates during intake. The DOC uses a counterfeit detection pen at intake to detect counterfeit \$50 and \$100 bills, but not \$20 bills. Our review disclosed that the bank rejected a counterfeit \$20 bill that was deposited from cash received at intake. Since the cash could not be traced to a particular inmate, the DOC incurred the financial loss of accepting the counterfeit cash.

We recommend that the DOC revise its counterfeit detection procedures to include \$20 bills.

Audit Scope, Objectives, and Methodology

We have audited the procedures and controls for inmate funds maintained by the Department of Corrections (DOC) for the period June 1, 2008 through June 2, 2009. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review. 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In accordance with the Baltimore County Charter, Section 311, the objectives of our audit were to evaluate the adequacy of internal control practices and procedures over the inmate funds and to determine compliance with any applicable laws and regulations regarding custody of inmate funds. In planning and conducting our audit, we focused on the receipt and disbursement of inmate funds controlled and managed by the DOC based on assessments of materiality and risk.

Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the DOC operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit scope was limited with respect to the DOC's documentation of commissary purchase transactions since the DOC discarded the commissary order forms after 30 days. Due to this condition, we were unable to determine, with reasonable assurance, that the disbursement of inmate funds for commissary purchases was accurate and that the correct amount of rent (based on a percentage of commissary sales) was paid to the County.

The DOC's management is responsible for establishing and maintaining effective internal control to adequately account for and safeguard inmate funds and for compliance with any applicable laws and regulations. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, regulations, policies and procedures are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to

future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

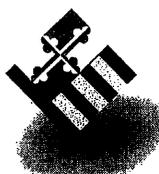
Our reports on fiscal compliance are designed to assist the Baltimore County Council in exercising its legislative oversight function and to provide constructive recommendations for improving County operations. As a result, our reports generally do not address activities we reviewed that may be functioning properly.

This report includes findings and recommendations relating to conditions that we consider to be significant deficiencies in the design or operation of internal control and administrative and operating practices and procedures that could adversely affect the DOC's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, regulations, policies and procedures. Other less significant findings were communicated to the DOC that did not warrant inclusion in this report.

APPENDIX A

DEPARTMENT OF CORRECTIONS

RESPONSE



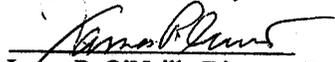
BALTIMORE COUNTY
MARYLAND

JAMES T. SMITH, JR.
County Executive

JAMES P. O'NEILL, *Director*
Department of Corrections

DEPARTMENT OF CORRECTIONS

INTER-OFFICE MEMORANDUM

TO: Mary P. Allen, County Auditor
FROM: 
James P. O'Neill, Director, Department of Corrections
DATE: April 8, 2010
SUBJECT: Inmate Funds Audit

Please find attached the Department of Corrections responses to the Auditor's findings and recommendations regarding inmate funds.

Attachment

**Baltimore County Department of Corrections
DOC- Inmate Funds and Non-Operational Cash Audit
June 1, 2008- June 2, 2009**

Response to Findings and Recommendations

1. Adequate segregation of duties was not established over inmate funds.

The Account Clerk noted in this recommendation is not solely responsible for the following duties:

- Posting money order receipts to inmate's accounts in JMS
- Preparing bank deposit slips for cash and money orders
- Accessing inmate account records to record other transactions affecting the inmates accounts

There are three (3) other Account clerks and a Management Analyst I that perform the above-mentioned duties on a daily basis. Also, all inmate funds received by the DOC during intake are counted by the Processing Officer (Correctional Officer) and verified by a second Processing Officer and then entered into JMS by the Processing Officer. The funds are then placed in an envelope with the inmate's name, UID#, and the amount of funds received. The Processing Officer also enters the above information on a "Funds Upon Entry Log". Each envelope is placed in the drop safe located in the Processing area. Each morning at 6:00 am, a Finance Account Clerk will go to the Processing area to retrieve the inmate funds. The Account Clerk and the Processing Supervisor will open the safe with 2 different keys (one key provided by the Account Clerk and the other key provided by the Processing Supervisor). They both will verify that there is an envelope to match against each inmate listed on the "Funds Upon Entry Log". After all envelopes are accounted for, the Account Clerk will proceed to the Finance Office and count the funds in each envelope. The Account Clerk will then verify the amount of funds counted against the amount entered in JMS by the Processing Officer. If there are any discrepancies, the Account Clerk will make the adjustment in JMS and also on the "Funds Upon Entry Log".

Also, the Office Coordinator and Office Assistant are not financial personnel. They work in the Community Corrections unit and are responsible for the duties relating to work release inmates. It is necessary for the Office Coordinator and the Office Assistant to access the financial system, but we have limited their access privileges to duties that correlate with their job responsibilities. The payroll clerk's access to the financial system has been eliminated.

In addition, an Account Clerk, MA I, or MA III retrieves money orders from the lobby drop box. After retrieving the money orders, they are counted into packs of seventeen (17), which is the number of items that can be listed on the bank deposit slip. Then they are distributed to available account clerks to enter into JMS. Each account clerk will prepare a deposit slip for each pack of money orders that they have entered into JMS.

Furthermore, since there is only one (1) Account Clerk that reports to work at 6:00 A.M., there are no other financial personnel to accompany this account clerk from processing to the inmate finance office. Nor is there a financial personnel available before 8:00 A.M. to help with the intake funds ("funds upon entry").

With all of this said, for the purposes of accountability, the DOC will have the finance supervisor verify that all of the tasks completed by the opening Account Clerk have been completed accurately before the deposit is sent to the bank.

2. The DOC lacked adequate controls over the physical access to inmate cash.

The safe will remain locked at all times and the combination will be changed when an authorized employee transfers, retires, or is terminated. This procedure has been added to policy.

3. Cash receipt logs did not always contain the required signature verifications of cash received and bank deposit slips were not reviewed for accuracy.

The DOC will properly verify the receipt of inmate funds and establish procedures to ensure the accuracy of deposit slips. All signatures and verifications will be made as required.

4. Inmate Funds are not always deposited intact into the bank.

Currently, there are four (4) Account Clerks balancing the cash on hand numerous times a day. There is one (1) cash box used by Finance staff, which is balanced as each co-worker takes their lunch break and/or finishes their shift. There must be coverage in the inmate finance from 6:00 A.M. to 5:00 P.M. and additional coverage is needed during lunch breaks and at peak times. There is minimal staff available for coverage. Also, each time the cash box is used by a different Account Clerk it is balanced against JMS at the end of that individual's shift. Due to the amount of each denomination of currency and coin kept in the safe, balancing the cash is a time consuming task. With the higher level of cash being recommended, the balancing would be even more time consuming.

Finally, on any given day, the Finance Unit does not know in advance how many inmates will be released, request a cash bail, or have work release funds request. Also, we would need immediate access to cash should the JMS check writer go down. On average, the DOC releases 50-60 inmates per day. These inmates have various account balances and although we only issue \$20 for inmates who reside within the State of Maryland, we issue additional funds to inmates who reside outside of the State of Maryland. Furthermore, the DOC made a commitment to the residents of Towson that once an inmate is released, the DOC would provide the inmate with the funds needed to leave Towson as soon as possible.

5. The DOC did not fully utilize the capabilities of its financial system to account for all inmate funds.

The Jail Management System (JMS) used for inmate accounts has numerous reports readily available at any time. These reports can be for any date or date range. Unfortunately, since the DOC deposits all money orders, checks, and some cash on a daily basis, the reports do not give an accumulative total. It is a daily total and it is balanced every day.

In addition, JMS does generate a daily Balance Sheet showing the total assets versus liabilities on any given date. This report is used on a daily basis to balance all inmate funds.

6. The DOC did not always maintain adequate supporting documentation of cash receipt and disbursement transactions for inmate funds.

The DOC does comply with its procedures to maintain supporting documentation for inmate funds. Unfortunately, during this audit several documents were misfiled, lost, or misplaced. The DOC will be more careful in filing these documents.

7. Inmate Records were not retained in accordance with the DOC's records retention policy.

The Department of Corrections does retain all records as stated in the records retention policy, with the exception of commissary records. Effective January 13, 2010, the DOC has a new commissary vendor. The DOC will ensure that the new vendor is in full compliance with retention as stated in the contract.

8. Disbursement of inmate funds for commissary purchases were not always accurate due to clerical errors in determining the purchase total.

As mentioned above, the DOC has a new commissary vendor. The new vendor's ordering process is more efficient due to the automated interface with JMS.

9. The DOC did not detect a counterfeit \$20 bill received and rejected by the bank.

The DOC only had one counterfeit \$20 bill out of \$580,000 cash received during this audit period. The Department of Corrections will continue to use a counterfeit pen to detect counterfeit \$50 and \$100 dollar bills. This procedure has been added to policy.

APPENDIX B

**AUDITOR'S COMMENTS ON AGENCY
RESPONSE**

Appendix B

Auditor's Comments on Agency Response

Our report cited the DOC for not adequately segregating the duties over inmate funds (Finding #1). Specifically, we noted that one account clerk was responsible for a number of incompatible duties. The DOC's response (Appendix A) states that the account clerk is not solely responsible for the incompatible duties. Although not solely responsible, the account clerk has the authority to perform the incompatible duties. When an individual has authority to perform incompatible duties, there is a higher risk that errors or fraud could occur and not be detected. Our recommendation is that the duties be segregated such that no one individual has authority to perform the incompatible duties of collecting, recording, reconciling, and depositing inmate funds.

Our report cited the DOC for not depositing into the bank intact all inmate funds received. We recommended that the DOC deposit all funds received into the bank intact and withdraw funds from the bank as needed to replenish the cash on hand, which could be set at a level that would require replenishing periodically as determined by management. The DOC's response states that the cash on hand is balanced numerous times a day and the higher level of cash being recommended would make balancing cash on hand more time consuming. However, the amount of cash on hand is strictly a management decision and would be the same regardless of whether the cash on hand is replenished by bank check (as recommended) or by withholding daily cash receipts before making the bank deposit (as is the current practice). The person who routinely takes the daily deposit to the bank could be authorized to cash a properly approved check to replenish the cash on hand. Depositing all cash intact into the bank provides an added level of assurance to management that inmate funds are protected against the risk that errors or fraud could occur and not be detected.

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