

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

823



FROM: County Auditor-Controller

SUBMITTAL DATE:
September 20, 2006

SUBJECT: Internal Auditor's Report #2006-016 – Sheriff's Department - Corrections Division Inmate Trust Fund Follow-up Audit

RECOMMENDED MOTION: Receive and file Internal Auditor's Report #2006-016 – Sheriff's Department Corrections Division Inmate Trust Fund Follow-up Audit.

BACKGROUND: The Auditor-Controller completed an audit of the Sheriff's Department Corrections Division Inmate Trust Fund. Our primary objective was to determine if management implemented corrective actions and resolved the four findings identified in Internal Auditor's Report #2005-003, dated February 24, 2005. We performed tests and evaluated management's corrective actions to determine if the findings identified in Internal Auditor's Report #2005-003 were mitigated through the implementation of our four recommendations.

Based upon the results of our audit, we determined management implemented our recommendations to correct the findings in Internal Auditor's Report #2005-003.

Departmental Concurrence

Robert E. Byrd

Robert E. Byrd
County Auditor-Controller

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|-----------------------|-------------------------------|------|-------------------------|-----|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 0 | In Current Year Budget: | N/A |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | N/A |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | N/A |

| | | |
|-----------------------------|---|--------------------------|
| SOURCE OF FUNDS: N/A | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Robert Cochran

- Dep't Recomm.: Policy
- Per Exec. Ofc.: Policy
- Consent
- Consent

SEP 20 11 10 AM '06
COUNTY OF RIVERSIDE
RECORDS & COMMUNICATIONS

Prev. Agn. Ref.: _____ District: _____ Agenda Number: _____

2.4



OFFICE OF THE
COUNTY AUDITOR-CONTROLLER

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Robert E. Byrd, CGFM
AUDITOR-CONTROLLER

Bruce Kincaid, CPA
ASSISTANT AUDITOR-
CONTROLLER

September 20, 2006

Honorable Bob Doyle, Sheriff
Sheriff's Department
4095 Lemon Street
Riverside, CA 92502

Subject: Internal Auditor's Report #2006-016 – Sheriff's Department - Corrections Division
Inmate Trust Fund Follow-up Audit

Dear Sheriff Doyle:

We have completed the Follow-up Audit of the Inmate Trust Fund. Our audit was limited to reviewing actions taken, as of June 29, 2006, to correct audit findings by implementing the recommendations made in our original audit report dated February 24, 2005.

We conducted our audit in accordance with auditing standards established by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide sufficient, competent, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusions.

The original audit report contained four recommendations, all of which required implementation and; therefore, were reviewed as part of this audit. For an in-depth understanding of the original audit, please refer to Internal Auditor's Report #2005-003.

Based on our Follow-up Audit, management implemented our recommendations to correct the findings in Internal Auditor's Report #2005-003. The following is a summary of the current status of the findings and recommendations identified in the original audit.

Finding 1: Transfer of receipts from one employee to another was not evidenced by written documentation.

Recommendation 1: A transfer of accountability document should be developed and used to document transfer of accountability for funds.

Current Status 1: Fully Implemented.

The Sheriff Department has created a transfer of accountability document entitled "Riverside County Sheriff Official Deposit Receipt," which is utilized to document deposits (received in person and through the mail) to inmate accounts, and transfers among the personnel servicing the Inmate Trust Fund.

Finding 2: Collections for individual inmate accounts were not deposited to the Inmate Trust Fund Account on a daily basis at any of the five correctional facilities.

Recommendation 2: Request and file an exemption to the daily deposit requirement in accordance with SPM 705.

Current Status 2: Fully Implemented.

The Sheriff Department has been granted daily deposit exemptions for all five facilities as of July 18, 2005. Based upon our review, all facilities are appropriately documenting and securing the daily receipts until the deposits are made.

Finding 3: There was a lack of control over the procedures for commissary charges from the vendor, Canteen, Inc. to the Inmate Trust Fund Account. The process did not allow the Sheriff's Department Accounting personnel to verify the validity and accuracy of commissary charges.

Recommendation 3.1: The department should develop a system to implement controls over the procedures for commissary charges from the current vendor to allow the Sheriff's Department to verify the validity of commissary charges to inmate's account.

Current Status 3.1: Fully Implemented.

As of January 12, 2005, the department started using the vendor, Keefe Group, to handle all commissary sales. The current vendor has procedures in place that allow the Sheriff ITF processor to reconcile all billing information prior to the commissary charges impacting the inmate's accounts. A sample of 74 inmates' purchases was selected and we found that all commissary charges were correct.


Recommendation 3.2: Commissary charges should be reconciled to the goods received prior to charges being posted to inmates' accounts.

Current Status 3.2: Fully Implemented.

Keefe Group generates two reports that are used to verify the validity of commissary charges to inmate's accounts, a delivery roster report and a commissary hold report. The delivery roster has to be signed by each inmate to verify receipt of all ordered goods. The commissary hold report is used to verify that inmate accounts were not charged for items that were ordered but unavailable. These reports are reviewed as part of the monthly reconciliation and billing process that is conducted by the Sheriff ITF processor.

We appreciate the cooperation and assistance extended to us by the Sheriff Department staff during this follow-up audit. Their assistance contributed significantly to the successful completion of the audit.

ROBERT E. BYRD, CGFM
Auditor-Controller


By: Michael G. Alexander, MBA, CIA
Chief Internal Auditor

cc: Board of Supervisors
County Counsel
Executive Office
Grand Jury