

MARTHA INGLE



CLERK OF COURT, WALTON COUNTY, FLORIDA

Walton County
Department of Corrections
Inmate Welfare Audit

Martha Ingle
Clerk of the Courts

Internal Audit Department

Johnny Street
Internal Audit Manager

Report 09-03
November 2009

REPLY TO:

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MARTHA INGLE



CLERK OF COURT, WALTON COUNTY, FLORIDA

November 5, 2009

Danny Glidewell, Corrections Director

The Internal Audit Department has conducted an audit of Walton County Department of Correction's Inmate Welfare program. The program accounts were reviewed for the period of October 1, 2008 to September 30, 2009 to determine if internal controls for the programs accounting are working properly. Deposits to and charges against the accounts were reviewed to ensure their accuracy and legitimacy.

The audit was conducted in accordance with generally accepted government auditing standards, and included such tests as considered necessary for the area under review. These standards require the audit to be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions. Based on the audit objectives, Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions.

Responses to our Recommendations for Improvement were received from the Department Director and are incorporated herein.

Internal Audit appreciates the cooperation of the personnel of the Corrections Department during the completion of this audit.

Johnny Street
Internal Audit Manager

Approved:

Martha Ingle
Clerk of Court

c: Board of County Commissioners
Lyle Seigler, Intermin County Administrator

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EXECUTIVE SUMMARY

Executive Summary

The Internal Audit Department conducted a review of the Walton County Department of Corrections (Department) Inmate Welfare program (program). The review included an examination of the inmate (resident) accounts for the period of October 1, 2008 through September 30, 2009. The objective of the audit was to determine if adequate controls were in place to ensure deposits and charges to the accounts were accurate, timely, and legitimate. Also, to ensure the accounts were properly closed and any remaining funds were returned.

In the opinion of internal audit, controls over the Inmate Commissary Program were adequate during the audit period. Based on the results of the work performed, nothing came to the auditor's attention to indicate that the program accounts were not accurate or complete. Opportunities for improvement were noted in certain areas and are included in this report. The opportunities are summarized as follows:

When the resident refuses to sign the resident transaction receipt indicating the amount of money included in the initial deposit, a witness should sign attesting to the deposit.

The Keefe Commissary system data input is not always reviewed by management. Occasionally, the daily fee charged to the residents accounts does not process properly.

The Internal Audit Department commends the efforts of the Corrections Department in ensuring that the residents' accounts are properly administered.

INTRODUCTION



INTRODUCTION

Inmate Welfare Audit

Background

The corrections department houses inmates who are incarcerated for less than a year. The department provides a welfare program which allows the residents to purchase certain necessities such as tooth paste, tooth brush, and soap. The residents may also purchase certain comfort items including clothing, snacks, books, and writing materials. In addition, the Walton County Board of County Commissioners adopted Resolution 2009-59 on June 6, 2009 which provides a schedule of fees for reimbursement of subsistence fees, medical costs and damage to County property. The department uses the Keefe Commissary Network System (system) to track and record the resident's accounts. An account is established when the resident is processed into the jail. Any money that the person has with them when they are booked into the jail is deposited into their account. Additionally, anyone can provide the residents with additional funds using money orders and checks. The money received is recorded into the resident's account and the money is deposited into the Inmate Welfare Account. The balance in the residents' account may be used to purchase items through the system.

Once each week the residents are allowed to order a limited amount of items through the system if they have available funds. If they have no funds they may only requested the necessities noted above and/or a clothing pack consisting of under garments. The orders are charged to the residents account. In addition, the department charges each resident a two dollar per day subsistence fee unless the resident is a trustee, juvenile, or federal inmates. If the resident needs medical services or damages County property, their account is charged the amount based on the fee schedule.

When the resident is released, their account is closed out and the balance in their account is refunded by a County check. If the resident has a negative balance, that amount remains in their account. If they return at a later date the account and any balance is reinstated.

Scope, Objectives, and Methodology

The review of the welfare program was conducted for the period of October 1, 2008 through September 30, 2009. The objective of the review was to determine if the departments' internal controls over the collection, deposit, and accounting of the program are adequate. The proper segregation of duties for the receipt of money, deposits, and the refund of accounts were also reviewed. Additionally, the review was completed to ensure that the resident's accounts were properly charged for items ordered and fees due.



INTRODUCTION

Inmate Welfare Audit

A sample of residents was selected from a recent invoice from the Keefe Commissary Network Sales. The account activity for each of the sampled residents was reviewed. The accounts were recalculated to ensure accuracy and completeness. The resident's charges noted on a selection of invoices were compared to their accounts. The resident's initial deposit was traced to the corresponding deposit slip. Withdrawals from the accounts were traced through the Navaline Accounting System.

Overall Conclusion

Based on the results of the work performed, the Walton County Department of Corrections provided good internal control over the Inmate Welfare program and materially complied with applicable laws, rules, and regulations and policies and procedures. In the opinion of Internal Audit, the system of internal controls over the program was adequate. Recommended improvements are included in this report.

RECOMMEDATIONS FOR IMPROVEMENT

RECOMMENDATIONS
FOR IMPROVEMENT

Inmate Welfare Audit

1. **The Department of Corrections Should Always get Two Signatures on the Resident Transaction Reports.**

When an individual is booked into the correctional facility, any money in their possession is deposited into a resident account that is set up in the Keefe Commissary System. The money is counted in the presence of the resident and this amount is entered into the system as an initial deposit. The system prints a Resident Transaction Receipt which is to be signed and dated by the resident and the corrections employee that received the money. Occasionally, the resident will refuse to sign the receipt. When this occurs, the corrections employee is the only signature on the form. The receipt along with the money collected is sent to the Clerk of Court's Finance Department for deposit into a special bank account.

Good internal control would be to provide dual attestation of the money received from the resident. This would provide an additional level of internal control over the deposit of the resident's money. Without this level of control the resident may try to challenge the initial deposit.

Internal Audit Recommends the department ensure dual attestation is recorded on the transaction receipt. When the resident will not sign the receipt, a second correction's employee should be asked to count the money and sign the receipt, preferably, in the presence of the resident.

Management's Response: On November 18, 2009 we addressed the signatures on receipts. The supervisors were told that your recommendations would be implemented verbatim.

2. **Daily Fees are not Always Recorded Properly in the Keefe Commissary System.**

On June 9, 2009, the Board of County Commissioners adopted Resolution No. 2009-59 to provide for an Inmate Welfare Account and a fee schedule of items that are charged to the residents' account. The schedule includes items such as subsistence fees, medical fees, and damaged property fees. This resolution provides for a daily subsistence fee of two dollars per day beginning on the third day of incarceration for their stay at the Correctional Facility. The department began charging the daily fee on June 26, 2009. Internal Audit reviewed the accuracy of the charges to the residents' account. The system automatically charges this fee each day to the resident's welfare account. Internal Audit noted that this charge is not always posted to each account properly.



**RECOMMENDATIONS
FOR IMPROVEMENT**

Inmate Welfare Audit

The auditor noted that the system, on occasion, did not always record the daily fee to every resident's account. If this omission is detected by a correction's employee, a manual entry for that account must be completed. Additionally, it was noted that the system began charging certain accounts the daily fee on the first day of incarceration instead of the third. Also, certain accounts did not receive the charge for several days after the third day of incarceration.

The department's management does not always review the data input into the Keefe Commissary System. Good internal control would entail a level of management oversight of the information that is input into a computer system, especially any information that requires a manual adjustment. Without proper review management cannot ensure that the information in the system is correct and accurate.

Internal Audit Recommends that management periodically review the data that is input into the system. Periodic reports should be generated through a system report writer which includes all transactions that occurred for that period. Additionally, the system should be reviewed to determine the cause of the anomalies in the daily fee charges.

Management's Response: As to management review of the Keefe accounts, the Support Lieutenant will assume those duties and check and sign off on the weekly report.