

Highlights

Internal Audit Report to the Board of Supervisors/School Board

Why We Did This Review

Internal Audit conducted this review as part of our FY17 audit plan approved by the County Administrator and School Board Superintendent.

Jail Canteen and Inmate Trust Fund is an annual audit and performed as a part of the County's Comprehensive Annual Financial Report (CAFR) audit per Section 15.2-2511 of the Code of Virginia. The Sheriff's Operations Division provides canteen services to the inmates as a source of snacks and personal supplies. Monies belonging to the inmates are maintained in the Inmate Trust Fund on their behalf. These funds can be used for canteen purchases, medical co-payments, and other expenses of the inmate.

Our objectives were to:

- Evaluate compliance with the Virginia Sheriffs' Accounting Manual.
- Review and test the Jail Canteen and Inmate Trust Fund account transactions for accuracy and proper controls over receipts and disbursements.
- Review and test other Sheriff revenues for compliance to Virginia Sheriffs' Accounting Manual.
- Report the results to County Administrator.

What We Recommend

- The Jail Canteen work with Accounting on general bookkeeping processes. **(REPEAT FINDING)**
- The Jail Canteen reconcile month-end bank statements for all accounts to month end financial system balances. **(REPEAT FINDING)**
- Obtain a legal opinion to distinguish whether direct disbursement of Canteen funds for jail operating costs is allowable.
- Sheriff's Office work with the financial system vendor to create more useful reports.



For more information, please contact
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Jail Canteen and Inmate Trust Fund



What We Found

Commendable Policies and Procedures

We commended Chesterfield County Jail staff for properly recording sales, inmate deposits, and inmate disbursements.

Cash Disbursements

Section 3 of the Virginia Sheriffs' Accounting Manual requires that profits from canteen operation generated from inmates' accounts directly benefit inmates within the facility. Internal Audit tested canteen disbursements totaling \$17,294 that appear to be for the Jail's general operation. Items purchased included linens, cleaning equipment and products, and toiletries which have previously been obtained through appropriated County operating funds. We are uncertain these direct purchases from Canteen funds qualify as directly benefiting inmates as stipulated in the Sheriffs' Accounting Manual and Code of Virginia.

Financial Reporting

We noted that the Jail Canteen does not have a reliable process for closing the annual accounting period. Adjustments were needed to accounts receivable and accounts payable. We also noted the chart of accounts used by the canteen is not ideal for informative reporting.

Inmate Trust Fund Reconciliations

Section 4 of the Virginia Sheriffs' Accounting Manual outlines monthly bank reconciliation procedures. Sheriff's Office staff reconcile to the bank periodically throughout the month, but not necessarily on the last day of the month. Performing reconciliations at month-end in accordance with the guidelines will ensure accounting and banking activity is properly recorded in a timely manner.

Management concurred with 5 of 7 recommendations to be implemented by December 31, 2016.