



## Chesterfield County, Virginia Internal Audit

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**DATE:** October 27, 2021

**TO:** Joseph P. Casey, Ph.D.                      Chesterfield County  
County Administrator                      Board of Supervisors

Mervin B. Daugherty, Ed. D.              Chesterfield County  
Superintendent                      School Board

**FROM:** Khara L. Durden, CPA, CISA, CFE  
Director of Internal Audit

**SUBJECT:** FY21 Jail Canteen and Inmate Trust Fund Audit

The Office of Internal Audit completed an audit of Jail Canteen and Inmate Trust Fund, and the final report is attached.

We would like to thank Sheriff Karl Leonard and Sheriff's Office staff for their cooperation and assistance during this audit.

Attachment

Copy: Karl Leonard, Sheriff  
Major Donald Huff, Sheriff's Office  
Captain Joshua Fahy, Sheriff's Office  
Dawn Garrett, Budget Administrator, Sheriff's Office  
Scott Zaremba, Deputy County Administrator, Community Operations



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# FY21 Jail Canteen and Inmate Trust Fund

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October 27, 2021



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# FY21 Jail Canteen and Inmate Trust Fund

## Highlights

### Financial Reporting

The Jail canteen records financial transactions in ONESolution using the established chart of accounts. Accounting runs reports to produce accurate Annual Comprehensive Financial Report (ACFR) data. Inmate trust fund financial information is recorded in Lockdown, the Jail's inmate banking software, and was submitted to Accounting for ACFR preparation in a timely manner. We examined FY20 and FY21 accounts receivable year-end accruals for accuracy and timeliness with no exceptions.

**Commendation(s):** Providing timely inmate trust fund financial data to Accounting for ACFR preparation and properly accruing and recording accounts receivables in the proper period.

### Cash Disbursements

Jail canteen indigent disbursements to commissary and disbursements to other vendors were tested with minimal to no exceptions. We also noted no duplicate payments to vendors. Four inmate trust fund disbursements did not include an inmate signature or evidence of supervisory approval. We also tested all FY21 canteen void checks and noted they were properly defaced and stored without exception.

**Commendation(s):** Following policies and procedures related to indigent and commissary disbursements and properly defacing and storing Jail canteen void checks.

**Action(s) Taken:** As of 10/27/21, Captain Fahy emailed the Canteen Manager and supervisors reinforcing SOP 1-2 and outlining the responsibilities of the Canteen Manager.

### Fixed Assets

The Jail was able to provide documentation to support three of four quarterly inventory reviews were performed. We noted fixed asset information was not accurate, contained duplicates, purchases were not added timely, and inventory had been lost/misplaced.

**Recommendation(s):** Improve procedures to identify assets and maintain the inventory listing as outlined in Sheriff's Office Standard Operating Procedure 9-3 (repeat finding from FY20 Audit).

### Reconciliations

Bank reconciliations were performed and reviewed for Jail canteen and inmate trust fund accounts. Positive pay exception reports were reviewed, and follow-up procedures were performed. Unclaimed property was submitted late, four checks were not properly voided, and due diligence was not performed timely.

**Commendation(s):** Performing Jail canteen and inmate trust bank reconciliations timely and accurately.

**Recommendation(s):** Provide relevant employees training on Virginia unclaimed property to comply with section 12 of the Virginia Sheriffs' Accounting Manual.

### Cash Receipts

Canteen and indigent sales were properly approved and accurately calculated and posted to inmate accounts. For five canteen deposits tested, three did not include supervisory approval and one was not deposited timely.

**Recommendation(s):** Clarify standard operating procedures to define management approval requirements and timeliness of deposits.

### Compliance and Other Revenues

We tested state/local revenues collected by the Sheriff and noted two of twenty-five other revenues (monitoring, weekend jail time, work release fees) were not deposited timely. Telephone commissions were properly recorded, and civil processing fees were accurate and deposited timely.

**Commendation(s):** Properly calculating and recording telephone commissions and depositing and remitting civil process fees to the State in a timely manner.

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*Management concurred with 3 of 3 recommendations detailed in the report to be implemented from 11/1/21 to 7/15/22. Internal Audit performs annual follow-up with management to confirm implementation status.*

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# INTRODUCTION

## BACKGROUND

The Jail Canteen and Inmate Trust Fund audit was a regularly scheduled audit on the FY22 audit plan approved by the Audit and Finance Committees. This audit is performed annually as a part of the Annual Comprehensive Financial Report audit. Code of Virginia §15.2-2511 requires all local governments have their accounts and records audited annually by an independent certified public accountant. This audit includes the Sheriff's accounting records for all funds. Internal Audit test results are provided to the external auditor for their separate examination report for Sheriff's internal controls in accordance with Virginia Auditor of Public Accounts (APA) specifications.

The Jail canteen falls under the Sheriff's Correctional Services Bureau and provides inmates with a source of snacks and personal supplies through a contracted vendor. The Jail canteen fund receives a 20% commission on goods sold. Money earned through the canteen can be used towards purchases that benefit the inmate, such as reading materials and recreational equipment. Funds can also be used to pay for indigent items, such as envelopes and hygiene kits, in the event the inmate cannot afford to pay for such items.

Monies collected from inmates at incarceration are entered into the inmate account system and deposited into the inmate trust fund account on their behalf. Inmates may also receive funds from outside sources (family and friends), which are deposited into the inmate's account. These funds can be used for commissary purchases, medical co-payments, and other expenses of the inmate. Family and friends may also purchase items online for inmate consumption.

The following chart represents FY21 Jail canteen and inmate trust fund cash activity:

<b>Fund</b>	<b>Balance as of 6/30/20</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance as of 6/30/21</b>
Jail Canteen	\$ 203,161	\$ 217,683	\$ 159,960	\$ 260,884
Inmate Trust Fund	69,499	1,356,806	1,290,881	135,424

## OBJECTIVES

Objectives of the audit were to:

- Evaluate the Jail canteen and inmate trust funds for 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 telephone commission, medical co-payments, and other Sheriff revenues for compliance with the Virginia Sheriffs' Accounting Manual.
- Report results to management.

## SCOPE

Our audit work covered FY21 and the current operating environment. We considered the following code, policies, and procedures during our audit:

<i>Specifications for Audits of Counties, Cities, and Towns from the Virginia Auditor of Public Accounts</i>	<i>Virginia Sheriffs' Accounting Manual issued by the Auditor of Public Accounts</i>
<i>County Administrative Policy 1-5: Accounting – Bill Approval, Documentation, and Payment</i>	<i>Chesterfield County Sheriff's Office Standard Operating Procedures</i>

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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. Aline Bright, Audrey Weatherholtz, and Christian Wingfield, Staff Auditors, performed the audit work. Chesterfield County Internal Audit is a department within the organization of Chesterfield County/Schools.

## METHODOLOGY

Detailed information regarding the methodology can be found in the individual findings listed in the report. Our methodology included the following:

- Verifying bank statement reconciliations with the Sheriff's Office records.
- Testing receipts and disbursements for Jail canteen and inmate trust fund.
- Observing and verifying Jail assets purchased with canteen funds on a sample basis.
- Testing accounts receivable and payable for proper controls and accuracy.
- Testing the Sheriff's other revenues and verifying compliance with the Virginia Sheriffs' Accounting Manual.

## **INTERNAL CONTROL CONCLUSION**

According to Government Auditing Standards, internal controls, in the broadest sense, encompass the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal controls include the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- efficiency and effectiveness of operations;
- accurate financial reporting; and
- compliance with laws and regulations.

Based on the results and findings of the audit test work, auditors concluded that internal controls were in place and there were minimal findings to question their ability to assist management in meeting its mission, goals, and objectives. Recommendations specific to improving these controls can be found in detail further in the audit report.

## **CLOSING**

We would like to thank Sheriff Karl Leonard and Sheriff's Office staff for their cooperation and assistance during this audit.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Financial Reporting

(Point Sheet 1)

#### **CRITERIA:**

The accrual method of accounting requires that revenues be recognized when earned and expenses be reported when incurred, not when the cash is received or paid.

Section 2 of the Virginia Sheriffs' Accounting Manual states accounting records must be accurate, recorded timely, agree to supporting documentation, and have evidence of supervisory review.

The County's Accounting Department produces an ACFR. Accounting establishes various dates for certain departments to provide required financial activity documentation for the ACFR. Accounting maintains Jail canteen financial information in ONESolution and can extract information for reporting. The Sheriff's Office is responsible for providing inmate trust financial activity reported in custodial funds by July 30<sup>th</sup> for FY21.

#### **CONDITION(S):**

Jail canteen records financial transactions are recorded in ONESolution, the County's enterprise system, using the established chart of accounts. The Jail's ONESolution capabilities permit use of the electronic purchase and payment approval workflow system. They are responsible for sending Accounting supporting documentation and determining general ledger accounts to make journal entries. Once information is received, Accounting posts all transactions in the general ledger and makes payments to vendors.

Inmate trust fund financial transactions are recorded by the Senior Accounting Technician in Lockdown, the Jail's inmate banking software designed to help facilities open and close inmate accounts, bill inmates, process commissary orders, and cut checks from the inmate's account. The Sheriff's Office provided Jail's inmate trust fund activity to the Accounting department by July 30<sup>th</sup>, 2021.

We reviewed the Jail canteen and inmate trust fund FY21 trial balance and confirmed beginning balances to the FY20 audited financial statements without exception.

We examined FY20 and FY21 accounts receivables year-end accruals for accuracy and timeliness with no exceptions.

We also examined the following with minimal exceptions:

- FY20 and FY21 accounts payables year-end accruals for accuracy and timeliness.
- July and August 2021 disbursements to verify expenditures were recorded in the proper fiscal year.

#### **CAUSE(S):**

- The Jail followed policies and procedures for recording and submitting necessary inmate trust fund financial information to Accounting.
- Revenue accrual best practices were followed by Jail personnel.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Financial Reporting

(Point Sheet 1)

#### **EFFECT(S):**

- The Jail complied with inmate trust fund financial reporting requirements and deadlines.
- Accounts receivables were recorded in the proper fiscal period.

#### **COMMENDATION(S):**

We commend the Sheriff's Office for:

- Providing timely inmate trust fund financial information to Accounting for ACFR preparation.
- Properly accruing and recording accounts receivables in the proper period.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Cash Disbursements

(Point Sheet 2)

#### **CRITERIA:**

Per Section 3 of the Virginia Sheriffs' Accounting Manual, the accountant should compare the vendor invoices with the receiving reports and approve the invoice by either signing or initialing it. In lieu of a separate receiving report, canteen personnel may write the quantity on the vendor's invoice. They should sign the invoice before sending it to the Sheriff's Office for payment. The facility director or other approved person should review the vendor invoice with the receiving report. The facility director or his designee should approve the invoice by either signing or initialing it before paying the vendor.

Per Section 3 of the Virginia Sheriffs' Accounting Manual, charitable donations do not directly benefit inmates and, therefore, are not appropriate uses of Jail canteen profits.

Per Section 4 of the Virginia Sheriffs' Accounting Manual, §6VAC15-40-810 Return of Inmate Property and Funds states that inmate property and funds shall be returned upon release or transfer and receipted for by the inmate in writing. When funds are dispersed to the inmate, a supervisory signature and an inmate signature are required for documentation purposes.

County Administrative Policy 1-5: Accounting – Bill Approval, Documentation, and Payment states incorrect checks should be returned to the Accounting department's receptionist noting the reason the check was incorrect. Accounts Payable will void the check and re-issue with the necessary corrections.

The Sheriff's Office Inmate Canteen Standard Operating Procedure 1-2 requires all voided transactions to be done through the automated account system. "VOID" must be written on any voided checks and/or receipts generated and placed in the locked money box.

#### **CONDITION(S):**

##### **Jail Canteen:**

The Jail utilizes ONESolution's electronic purchase and payment approval workflow system. The Jail Senior Accounting Technician determines the expense account and sends documentation to the Accounting department for ONESolution entry. Accounting records transactions and makes check payments.

The Jail canteen had \$157,303 in FY21 disbursements. Internal Audit tested thirty-four indigent disbursements totaling \$3,771 to Summit, the canteen's commissary vendor, for supporting order worksheets and invoices, invoice accuracy, and timely payments without exception.

Internal Audit reviewed an additional thirty-three disbursements to other vendors totaling \$25,533. We tested:

- Twenty-five canteen disbursements totaling \$25,407 were for inmate benefit, had payment approval, proper account classification, invoices were marked as paid, issued checks had authorized signatures, and were not donations. We found all disbursements were tested with minimal to no exceptions.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Cash Disbursements

(Point Sheet 2)

- Eight canteen disbursements totaling \$126 for duplicate payments to vendors; minimal exceptions were noted.

Internal Audit tested all voided checks during FY21. Two checks totaling \$3,292 were properly defaced and stored without exception.

#### **Inmate Trust Fund:**

The inmate trust fund had \$1,260,992 in FY21 disbursements. Internal Audit tested twenty-five FY21 inmate trust fund disbursements to released inmates totaling \$1,779 and sixty commissary disbursements to Summit totaling \$255,369. We verified:

- All disbursements to released inmates contained signatures from inmates and Jail personnel, and disbursements were traced to individual inmate accounts with the following exceptions:
  - Four disbursements totaling \$233 did not include an inmate signature, one was marked “unable to sign”.
  - Four disbursements totaling \$403 did not have evidence of supervisory approval.
- Summit disbursements for commissary sales contained supporting documentation, and invoices were correctly calculated and paid timely without exception.

Internal Audit reviewed twenty-five voided checks totaling \$31,573 to determine the checks were properly defaced and maintained. All checks were tested with minimal exceptions.

#### **CAUSE(S):**

- Disbursements are submitted to Accounting accurately and timely for entry in ONESolution.
- Commissary and indigent invoices are reconciled with order worksheets to ensure accurate and timely payment.
- Effective internal controls procedures related to void checks are in place.
- Inmate trust fund disbursements can be made without inmate signature and supervisory approval.

#### **EFFECT(S):**

- Indigent and commissary disbursements are made accurately and timely.
- Senior Accounting Technician followed Accounting and Jail procedures related to void checks.
- Inmate funds may be inappropriately disbursed.

#### **COMMENDATION(S):**

We commend the Sheriff’s Office for

- Following policies and procedures related to indigent and commissary disbursements.
- Properly defacing and storing Jail canteen void checks.

#### **ACTION(S) TAKEN:**

As of 10/27/2021, Captain Fahy emailed the Canteen Manager and supervisors reinforcing SOP 1-2 and outlining the responsibilities of the Canteen Manager.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Fixed Assets

(Point Sheet 3)

#### **CRITERIA:**

Section 3 of the Virginia Sheriffs' Accounting Manual allows using canteen operations net profits to purchase convenience items (i.e., coffee makers, televisions, etc.) for the benefit of the inmates.

The Sheriff's Office Inmate Canteen Standard Operating Procedure 9-3 requires a fixed asset inventory listing and purchase documentation be maintained. The Senior Accounting Technician uses the Jail canteen fixed asset list to document purchases by item type, serial number, brand, purchase date, and item location. The list is maintained for asset location changes and disposals (items removed from service) through quarterly physical inventories.

#### **CONDITION(S):**

The Jail canteen has a fixed asset tracking system that inventories assets using unique tag numbers once put into service. We reviewed the 6/30/2021 inventory listing noted the following:

- Fixed asset information was not accurate, purchases were not added to the list timely, and inventory was lost or misplaced.
- Physical fixed asset counts had been performed for three of four quarters in FY21.
- Four assets appeared on both the current and disposed inventory listing.
- Numerous chairs were listed in multiple locations on the asset listing.

We selected 10 FY21 asset additions from the Jail canteen fixed asset list to agree to purchase support documentation. We tested all 10 for physical existence, location, and that they were for the benefit of inmates. All items were tested without exception.

We also selected individually significant transactions above \$2,460 to search for unrecorded fixed assets. We selected three disbursements from the general ledger and traced them to supporting documentation to verify if items were assets, and, if applicable, they traced to the fixed asset list. We noted all disbursements selected were properly expensed and did not qualify as assets.

#### **CAUSE(S):**

The fixed asset list is not verified for accuracy or updated timely.

#### **EFFECT(S):**

Fixed assets could be lost or stolen resulting in a lack of benefits to all inmates.

#### **RECOMMENDATION(S):**

1. We recommend the Sheriff's Office improve procedures to identify assets and maintain the inventory listing as outlined in Sheriff's Office Standard Operating Procedures 9-3 (**repeat finding from FY20 Audit issued 10/26/2020**).

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Fixed Assets

(Point Sheet 3)

#### **MANAGEMENT'S RESPONSE(S):**

1. *Concur. Canteen Division Commander, Captain Joshua Fahy, is responsible for implementing 11/1/2021. The quarterly inventory has been added to a checklist that is maintained by the Administrative Analyst. The next inventory is due between August 1, 2021 and October 31, 2021.*

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Reconciliations

(Point Sheet 4)

#### **CRITERIA:**

Section 3 of the Virginia Sheriffs' Accounting Manual requires all Jail canteen bank accounts to be reconciled monthly between the general ledger and the bank statement to ensure that the accounting records properly include all transactions. Sheriff's Office management and the reconciler are to review, sign, and date each reconciliation.

Section 12 of the Virginia Sheriffs' Accounting Manual, Code of Virginia §55.1-2524 Report and Remittance to be made by Holder of Funds or Property Presumed Abandoned states that organizations with funds presumed abandoned are required to submit a report and remit the funds to the Treasurer of Virginia by November 1<sup>st</sup> each year for the period ending June 30 of such year. Organizations with funds presumed abandoned shall exercise due diligence at least 60 days prior to the submission of the report to ascertain the whereabouts of the owner if the property has a value of \$100 or more. Due diligence is defined as mailing a letter by first-class mail to the last known address of the owner as indicated on the records of the holder.

Section 12 of the Virginia Sheriffs' Accounting Manual, Code of Virginia §55.1-2540 Interest and Penalties requires any person who does not exercise due diligence shall pay a civil penalty not to exceed \$50 for each account upon which due diligence was not performed. Also, an organization that willfully fail to report, pay, or deliver property will pay civil penalties (in addition to interest) of \$1,000 for each day the report, payment, or deliver is withheld, or the duty is not performed.

#### **CONDITION(S):**

##### **Jail Canteen:**

The Jail canteen has three bank accounts: a general checking account used for internal inmate sale commissions and disbursements for the benefit of inmates, a savings account, and a checking account for all web order commission revenue generated by external sales (Fresh Express through Summit). We tested that the Jail canteen's reconciliations to bank statements were performed monthly, signed by the preparer, and reviewed by Sheriff's Office management. Our testing determined that reconciliations were performed and reviewed timely, and all accounts reconciled to accounting records without exception.

##### **Inmate Trust Fund:**

The inmate trust fund is managed through Summit's Lockdown Resident Banking System. Lockdown is primarily focused on tracking individual inmate balances and has several accounting capability limitations. The inmate trust fund has one checking account. The Jail utilizes Positive Pay, a banking service that detects and prevents fraudulent payments. The bank compares checks and payee names to information submitted by the Jail and flags items that appear to be suspicious via exception reports. The Jail then notifies the bank to issue or deny payment.

We tested that the inmate trust fund's reconciliations to bank statements were performed monthly, signed by the preparer, and reviewed by Sheriff's Office management. Positive Pay exception reports were reviewed for flagged items and the auditor verified follow-up procedures were in place.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Reconciliations

(Point Sheet 4)

Our testing revealed the following:

- Reconciliations were performed and reviewed timely.
- Exception reports and flagged items were addressed timely by Jail personnel.

During our inmate trust fund reconciliation testing, we also reviewed outstanding checks for unclaimed property remitted to the Treasurer of Virginia. We examined the November 2020 unclaimed property submission for the fiscal year ending June 30, 2019 and found:

- The report was submitted late to the Treasurer of Virginia.
- Four checks totaling \$661 were not properly voided and due diligence was not performed timely. One check was not voided until February 2021 and was reissued to the payee after submittal to the Treasurer of Virginia.

#### **CAUSE(S):**

- Reconciliations were performed in accordance with the Sheriffs' Accounting Manual.
- There is a lack of understanding on the process for submitting unclaimed property.

#### **EFFECT(S):**

- Reconciliations are performed monthly, accurate, and properly approved.
- Civil penalty fees related to unclaimed property could be incurred by the Jail.
- Unclaimed property submitted and not properly voided may result in duplicate payments and funds remitted to the individuals.

#### **COMMENDATION(S):**

We commend the Sheriff's Office for performing Jail canteen and inmate trust fund bank reconciliations in accordance with the Virginia Sheriffs' Accounting Manual.

#### **RECOMMENDATION(S):**

2. We recommend the Sheriff's Office provide training to relevant employees on Virginia unclaimed property requirements to comply with section 12 of the Virginia Sheriffs' Accounting Manual.

#### **MANAGEMENT'S RESPONSE(S):**

2. *Concur. Quartermaster Division Commander, Captain Ford, is responsible for implementing 7/15/2022. We will meet with responsible persons and reinforce applicable requirements related to Virginia unclaimed property submission.*

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Cash Receipts

(Point Sheet 5)

#### **CRITERIA:**

Section 1 of the Virginia Sheriffs' Accounting Manual, Code of Virginia §15.2-1615 Sheriff to Deposit Funds, Keep Account of Receipts and Disbursements, Keep Books Open for Inspection states the Sheriff shall keep the books, papers, receipt books, and statements pertaining to the receipts and disbursements of his office at all times ready for inspection by the APA or any other certified public accountant authorized by the governing body.

The Sheriff's Office has a Standard Operating Procedures Manual detailing the commissary and indigent order process. Both the inmate and vendor personnel are required to sign the receipt upon delivery of goods to inmate.

The Sheriff's Cash Receipts and Accounts Receivable Standard Operating Procedure states all cash receipts should be deposited within 24 hours of receipt

Section 2 of the Virginia Sheriffs' Accounting Manual states that Sheriffs should consider periodic reviews of daily reconciliations. Supervisors provide evidence of their review with initials and date.

Section 4 of the Virginia Sheriffs' Accounting Manual, §6VAC15-40-790 Inventory of Cash and Personal Property requires itemized receipt preparation for all inmate personal property and cash collected during initial inmate booking. A copy should be provided to the inmate whose account is being credited and cash should be deposited timely.

The Sheriff's Office has a Standard Operating Procedures Manual which states all inmate property will be inventoried and logged on the "Inmate Statement of Personal Articles" sheet. Currency will be counted and deposited into the intake money kiosk or to the bank. Both inmate and vendor personnel will sign the property sheet and intake receipts to confirm information is correct.

#### **CONDITION(S):**

##### **Jail Canteen:**

The Jail canteen receives revenues through donations, bank interest, and monthly commission checks from Summit, the commissary vendor. Five canteen deposits totaling \$36,854 were reviewed for accuracy, management approval, timeliness of deposits (within 7 days) and corresponding entries made in ONESolution. We noted:

- Three of five deposits totaling \$29,074 did not include a management approval on the deposit slip.
- One of five deposits totaling \$500 was not deposited in a timely manner.

We tested twenty-five indigent and twenty-five canteen sales transactions for accuracy, required signatures, and correct posting to inmate accounts. Additionally, we verified that canteen commission payments totaling \$76,605 were received and traced to the bank statements. All items were tested with minimal to no exceptions.

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Cash Receipts

(Point Sheet 5)

#### **Inmate Trust Fund:**

We tested twenty-five inmate trust fund deposits totaling \$2,974 to verify inmates signed for funds collected, funds were deposited timely, and receipts were posted to correct inmate accounts. All items were tested with minimal to no exceptions.

#### **CAUSE(S):**

- Imprecise requirements for management approval and timeliness of deposits.
- Indigent and canteen sales are complete and properly approved.
- Commissions for canteen sales are accurately calculated and remitted.

#### **EFFECT(S):**

- Staff may not be following best practices for deposits.
- Indigent and canteen sales are accurately calculated, and commissions are properly calculated and remitted.

#### **RECOMMENDATION(S):**

3. We recommend the Sheriff's Office clarify standard operating procedures to define management approval requirements and timeliness of deposits.

#### **MANAGEMENT'S RESPONSE(S):**

3. *Concur. Canteen Division Commander, Captain Joshua Fahy, is responsible for implementing 11/1/2021. SOP 1-2 will be revised to indicate management approval requirements and to modify the timely manner in which deposits are completed.*

## FINDINGS, RECOMMENDATIONS, RESPONSES

### Compliance and Other Revenues

(Point Sheet 6)

#### **CRITERIA:**

The Virginia Sheriffs' Accounting Manual, published by the APA, outlines the procedures for Jail Operations and Court Support Services. The manual also provides guidance on compliance with the Code of Virginia, which details the fee schedule, medical treatment, and other revenue requirements.

Section 6 of the Virginia Sheriffs' Accounting Manual, Code of Virginia §53.1-91 Pay for Prisoners from Other Counties, Cities or Towns states each Sheriff shall collect from the counties of the Commonwealth, other than the county for which he is elected, the reasonable costs of guarding, feeding, clothing, caring for and furnishing medicine and medical attention for prisoners held for such county to be determined by agreement with the governmental unit involved, or in the absence of such agreement, as shall be determined by the governing body of his county.

The Sheriff's Cash Receipts and Accounts Receivable Standard Operating Procedure states all cash receipts should be deposited within 24 hours of receipt.

#### **CONDITION(S):**

The Sheriff collects various state and local revenues. We tested:

- Two monthly telephone commissions for revenue accuracy, appropriateness, and proper recording of revenues; no exceptions noted.
- Twenty-five inmate medical co-payments for fee and disbursement accuracy, signatures from inmates and medical staff, and medical fee appropriateness; minimal exceptions noted.
- Twenty-five civil processing fees for fee accuracy, deposit timeliness (within seven days), and verification that funds were remitted to the State; no exceptions noted.
- Twenty-five other revenue (monitoring, weekend jail time, and work release fees) transactions for accuracy, completeness, deposit timeliness (within seven days), and appropriate usage of revenues. We found two work release fee selections totaling \$3,851 were not deposited timely (See recommendation #3).

#### **CAUSE(S):**

- Sheriff's Office staff followed effective internal control policies and procedures for telephone commissions and civil processing fees.
- Funds are held for multiple days in Jail before remitting to the Sheriff's Office for deposit.

#### **EFFECT(S):**

- The Sheriff's Office properly managed and complied with other revenue requirements.
- Holding funds for several days could increase the risk of theft or loss.

#### **COMMENDATION(S):**

We commend the Sheriff's Office for properly calculating and recording telephone commissions and calculating, depositing, and remitting civil processing fees to the State.