



Chesterfield County, Virginia Internal Audit

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GREG L. AKERS
Director

DATE: October 31, 2016

TO: Joseph P. Casey, Ph.D.
County Administrator

FROM: Greg L. Akers
Director of Internal Audit

SUBJECT: Sheriff Riverside Regional Jail Authority Billings

The Office of Internal Audit completed an audit of Sheriff Riverside Regional Jail Authority Billings, and the final report is attached.

We would like to thank Karl Leonard, Erica Balk, Captain James Pritchett, Lieutenant Donny Dixon, and Sergeant Gregory Thomas for their cooperation and assistance during this audit.

Attachment

Copy: Scott Zaremba, Deputy County Administrator
Karl S. Leonard, Sheriff
Erica Balk, Chief of Administrative Services
Major Benjamin Craft, Jail Administrator
Captain James Pritchett, Sheriff's Office



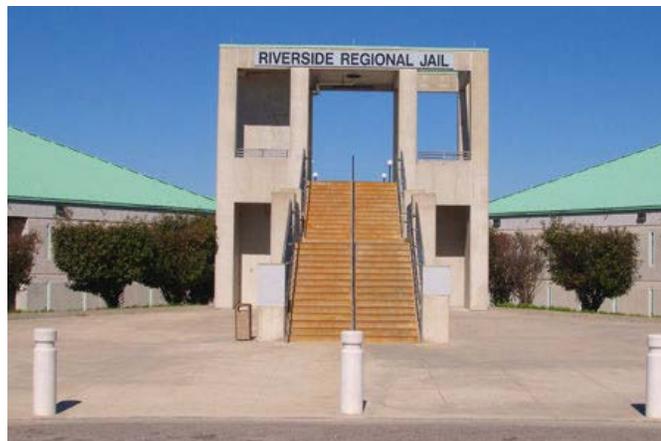
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Sheriff Riverside Regional Jail Authority Billings

October 31, 2016



HIGHLIGHTS/OVERVIEW	1
INTRODUCTION	2
FINDINGS/RECOMMENDATIONS	
Inmate Testing and Billing Procedures	5

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 FY16 audit plan approved by the County Administrator and School Board Superintendent.

The audit focused on reviewing the Jail's procedures for verifying the accuracy of Riverside Regional Jail Authority's (RRJA) monthly bills. In particular, our objectives were to:

- Test accuracy of payments and that controls exist to ensure Chesterfield County only pays for valid Chesterfield County inmates incarcerated at RRJA.
- Review and test internal controls to ensure billing for valid commit/release dates for Chesterfield inmates.
- Review bill reconciliation and refund process.
- Report results to the County Administrator.

What We Recommend

- Ensure weekenders are included in the verification process.
- Ensure all verification process steps are documented in the billing procedures.
- Work with IST to evaluate the data analysis to ensure each party understands options/fields available to include in the report to ensure all inmates are properly vetted and to make the process more efficient.



For more information, please contact Greg L. Akers, at 804-748-1240 or akersg@chesterfield.gov

Sheriff Riverside Regional Jail Authority Billings



What We Found

Inmate Testing

RRJA bills the County monthly for inmates housed. Jail staff verifies the inmates and number of days billed prior to payment. Verification includes comparisons to the Virginia's Correction Information System (CORIS) and the County's Jail Management System (JMS). Jail staff coordinates with Information Systems Technology (IST) for data analysis to:

- Compare inmates between current and prior month's bill
- Identify inmates transferred to RRJA per JMS.

The following audit testing was performed for FY16 with immaterial, if any, discrepancies noted:

- 3 monthly bills tested were correct mathematically, traced to proper approval signatures, no duplicate inmates were found, bills were paid timely, credit adjustments were timely, and no late fees were incurred.
- 45 inmates tested through the CORIS on-line system (15 from each monthly bill tested above) were confirmed to be the County's responsibility and the number of days billed for the months tested were correct.
 - 5 of 45 inmates detailed files were tested and all court records correctly document the County's responsibility and were signed off by the Circuit Court Clerk.

Billing Procedures

Although testing did not reveal billing discrepancies, improvements to the verification process are warranted due to the following:

- Certain inmates serve their time only on weekends and are listed with multiple intake and release dates. These weekenders should not be excluded from the verification.
- Documented procedures do not include verification steps performed by staff to verify days billed per inmate are correct.
- Procedures currently assume all inmates transferred to RRJA per JMS are the County's responsibility, and are excluded from verification. In some cases, inmates are other jurisdiction's responsibility.

Management concurred with 3 of 3 recommendations which were implemented on October 24, 2016.

We appreciate the cooperation received from Captain Pritchett and staff while conducting this audit.

INTRODUCTION

BACKGROUND

The Sheriff Riverside Regional Jail Authority Billings audit was a regularly scheduled audit on the FY16 audit plan approved by the County Administrator and School Superintendent. The Riverside Regional Jail Authority (RRJA) which is located in Prince George County, Virginia was created in 1990 by an Acts of the General Assembly of Virginia. The authority holds prisoners for member jurisdictions. RRJA is comprised of the Cities of Colonial Heights, Hopewell, and Petersburg and the Counties of Charles City, Chesterfield, Prince George, and Surry. A fourteen-member board comprised of one appointed member and the Sheriff from each participating jurisdiction governs RRJA.

Chesterfield County has a Service Agreement (last updated August 23, 2005) in place with RRJA that requires the County to pay a daily per diem for each inmate housed at RRJA. The current per diem rate per inmate is \$40. The Sheriff's Office receives a bill each month from RRJA for the inmates housed in the facility. RRJA houses all Chesterfield County female inmates, while the male inmates are primarily housed after court proceedings. The Sheriff's Office determines that the bill is accurate by verifying that the inmates are the County's responsibility and that the number of days billed is correct based on review of the intake date and release date.

The Virginia Compensation Board partially compensates localities for inmate housing costs. Rates were revised for FY11 and remain unchanged through FY16. The per diem rates for offenders that are arrested on a state warrant are, as required by law: \$4 for local responsible inmates housed in a local or regional jail, and \$18 for such inmates housed in a jail farm; \$12 for all state responsible inmates housed in all jail facilities. The Compensation Board reimburses the County on a quarterly basis and performs an on-site audit every two years. The most recent Compensation Board audit report dated November 14, 2014 concluded that payment requests were reasonably accurate, internal controls in place over the Local Inmate Data System (LIDS) reporting for the jail payments were satisfactory, and the performance was rated Exceptional.

The Compensation Board implements policies, informs its Board members of major issues affecting Constitutional Officers, and assists local governments to the Constitutional Officers consistent with Compensation Board policy and the laws of Virginia.

The Sheriff's Office paid RRJA \$10,258,520 in FY16 for housing a monthly average of 716 inmates. The inmate population has been fairly consistent over the past 5 years and the average amount paid annually to RRJA is \$10,517,544.

OBJECTIVES

Objectives of the audit were to:

- Test accuracy of payments and that controls exist to ensure Chesterfield County only pays for valid Chesterfield County inmates incarcerated at RRJA.
- Review and test internal controls to ensure billing for valid commit/release dates for Chesterfield inmates.
- Review bill reconciliation and refund process.
- Report results to the County Administrator.

SCOPE

Our audit work covered FY16 RRJA monthly bills.

We considered the following code, policies, and procedures during our audit:

County Accounting 1-5: Bill Approval, Documentation, and Payment	Riverside Billing Procedure
Service Agreement between Chesterfield County and RRJA	

We conducted this performance audit in accordance with generally accepted government auditing standards. 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. Michelle Heckel, Senior Auditor and Stephanie Bookheimer, Staff Auditor 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:

- Testing monthly bills for mathematical accuracy, proper approval signature, duplicate inmate billings/commit dates/release dates, timely reconciliations and payments, and to determine that refunds identified were received in a timely manner.
- Verifying inmate court records, that inmates are Chesterfield County's responsibility, and number of days billed is correct.

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 Jail staff for their cooperation and assistance during the course of this audit.

FINDINGS, RECOMMENDATIONS, RESPONSES

Inmate Testing and Billing Procedures

(Point Sheet C-1.1)

CRITERIA:

The Sheriff is responsible for the secure detention of inmates. In addition to housing inmates at Chesterfield County's Jail, an average of 790 inmates are housed at the Riverside Regional Jail Authority (RRJA). Chesterfield County has a service agreement with RRJA that states the County is billed \$40 per day for inmates housed at RRJA.

County Administrative Policy (CAP) 1-5: Accounting – Bill Approval, Documentation, and Payment outlines the procedures for bill approval, documentation, and payment for goods or services. The policy includes the following requirements: maintaining supporting documentation for all expenditures, using proper procedures and tax exemptions, and creating and approving invoices through authorized personnel.

Standard internal controls over financial transactions include reconciliations among accounting systems and source documents to ensure accuracy and integrity of data. Jail staff have procedures that outline the reconciliation process of the monthly bills as well as the steps taken to ensure the inmates are the County's responsibility.

CONDITION(S):

RRJA bills the County monthly for inmates housed. Jail staff verifies the inmates and number of days billed prior to payment. Verification includes comparisons to the Virginia's Correction Information System (CORIS) and the County's Jail Management System (JMS). Jail staff coordinates with Information Systems Technology (IST) for data analysis to:

- Compare inmates between current and prior month's bill
- Identify inmates transferred to RRJA per JMS.

The following audit testing was performed for FY16 with immaterial, if any, discrepancies noted:

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FINDINGS, RECOMMENDATIONS, RESPONSES

Inmate Testing and Billing Procedures

(Point Sheet C-1.1 Continued)

Although testing did not reveal billing discrepancies, improvements to the verification process are warranted due to the following:

- Certain inmates serve their time only on weekends and are listed with multiple intake and release dates. These weekenders should not be excluded from the verification.
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CAUSE(S):

Documentation of bill verification procedures has not been recently updated, and does not provide new personnel a full understanding of data analysis provided by IST.

EFFECT(S):

Jail staff is not vetting all billed inmates to confirm they are the County's responsibility.

RECOMMENDATION(S):

We recommend Jail Staff:

1. Ensure weekenders are included in the verification process.
2. Ensure all verification process steps are documented in the billing procedures.
3. Work with IST to evaluate the data analysis to ensure each party understands options/fields available to include in the report to ensure all inmates are properly vetted and to make the process more efficient.

MANAGEMENT'S RESPONSE(S):

1. *Concur. Captain James Pritchett, was responsible for implementing by 10/24/16. Weekenders will be included in the verification.*
2. *Concur. Captain James Pritchett, was responsible for implementing by 10/24/16. Process was updated with requested information.*
3. *Concur. Captain James Pritchett, was responsible for implementing by 10/24/16. Process was implemented by IST and will begin with the October billing.*