

Commissary Fund Audit

BROOME COUNTY GOVERNMENT
DEPARTMENT OF AUDIT AND CONTROL



State of New York County of Broome Government Offices

Department of Audit & Control

Meaghan E. Klenovic, Comptroller · Daniel J. Reynolds, Chairman of the Legislature

June 4, 2024

Sheriff Frederick J. Akshar II:

The Department of Audit and Control has completed an audit of the Sheriff's Office Inmate Commissary Fund. Periodic audit of this account is required under New York State Law 9 CRR-NY 7016.1 and is subject to review by the New York State Commission of Correction.

Our primary objective was to ensure that commissary funds were used and accounted for properly for the period selected. For the period we reviewed, we found all expenditures from the Commissary Account to be appropriate in consideration of New York State Law.

We reviewed transactions recorded in the Commissary Fund account for the period April 1, 2023 - April 31, 2023. We also reviewed internal controls over the Commissary Account, and we reviewed the status of vendor contracts.

We conducted this examination 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 objective.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We thank the Sheriff's Office for their cooperation and assistance throughout the audit process.

Sincerely,

Meaghan E. Klenovic
Comptroller

cc: Daniel J. Reynolds, Chairman of the Legislature
Aaron M. Martin, Clerk of the Legislature
Members of the Legislature

Background:

In accordance with NYS Commission of Correction Law, it is in the discretion of the Sheriff to establish, maintain, and operate a commissary for the purpose of making available, for sale to prisoners, items deemed proper by such officials and that are consistent with the health and welfare of prisoners and the security and general operation of the facility. Items purchased return a profit based on an agreed upon percentage of sales. Profits are to be deposited in a separate bank account and used for “the purposes of prisoner welfare and rehabilitation.”

This audit is to comply with New York State Law (9 CRR-NY 7016.1) which requires a “periodic audit of the commissary accounts by the office of the county auditor, county treasurer, or other county officer in a similar capacity.”

For Broome County, it has been common practice for the Department of Audit and Control to complete this audit annually.

The primary objective of our audit was to ensure commissary funds were used and accounted for properly.

Our scope was limited to commissary account financial activity for the period April 1, 2023 to April 30, 2023. As of the end of April 2023, the balance in the Commissary bank account was \$496,202.

FINDING 1: WRITTEN POLICES AND PROCEDURES SHOULD BE DEVELOPED

During the course of our audit, we noted that the Broome County Sheriff's Office does not have any written policies and procedures regarding the Commissary fund.

Documented policies and procedures provide guidelines for day-to-day operation. They provide reasonable assurance that an organization will achieve its objectives and that assets and resources will be adequately safeguarded and that various functions are being performed by the appropriate personnel.

The Sheriff's Office should have a clearly defined policy regarding the operation of the Commissary fund. In addition, the policy should include procedures that provide step-by-step instructions that define who is expected to accomplish the defined tasks.

The procedures should include sufficient information to permit an individual who is unfamiliar with the operations to perform the necessary operational activities. Policies and procedures that are in place should be followed and periodically reviewed and updated.

Maintaining current documented policies and procedures helps to inform employees of their duties and responsibilities. It also serves as a training resource when employees change jobs or retire. Additionally, policies and procedures decrease the risk of loss of funds from errors and irregularities.

RECOMMENDATION:

We recommend that the Sheriff's Office develop and maintain written policies and procedures related to the Commissary account.

MANAGEMENT RESPONSE:

We concur with your recommendation and will forward you applicable polices for your records.

FINDING 2: STATUS OF CONTRACTS WITH COMMISSARY VENDORS

During our audit, we noted that the contract with Trinity Services Group, Inc. to provide food, health, and personal hygiene items for sale to inmates had previously expired. The Broome County Sherriff has signed off on a two-year extension of the original contract. However, the status of the expired contract has not been updated within the Law Department. Additionally, the vendors that provide news subscription service and cable/internet service are not under contract.

The Purchasing Department establishes specifications and standards for all commodity and service purchases. These requirements are summarized in the Broome County Purchasing Guidelines.

Contracts protect the organization's interests and can help ensure that all products or services provided are correct and are in line with the agreed upon terms and conditions.

RECOMMENDATION:

We recommend that the Sheriff's Office review payments made to vendors providing goods and services to the inmate population and, if possible, enter into contractual relationships in accordance with the Broome County Purchasing Guidelines.

We also recommend that the Sheriff's Office work with the Law Department to update Trinity Services Group, Inc. contract status. This contract should establish an agreed upon percentage due to the County based on profit made from commissary sales.

MANAGEMENT RESPONSE:

We concur with your finding and are in the process of updating related contracts with our vendor.

FINDING 3: COMMISSIONS SHOULD BE PERIODICALLY VERIFIED

Through operation of the Commissary, food, health, and personal hygiene items are made available for sale to the inmate population at Broome County Correctional Facility. The current vendor is Trinity Services Group, Inc. A profit is returned based on the sales of those items to the inmates, and the Commissary Account receives an agreed upon percentage of that profit. Currently, the vendor does not provide a detailed Sales and Commission report. Therefore, there is no process in place to readily verify the accuracy of the calculated commission.

Management review of transactions, operating, and summary reports help to monitor performance and identify problems.

Management review of a monthly Commissary Sales and Commissions Report would allow the Sheriff's Office to periodically check the accuracy of the commission payments.

RECOMMENDATION:

We recommend that the Sheriff's Office requests the vendor provide, on a regular basis, a Sales and Commissions Report that details monthly sales and calculated commissions.

We also recommend that management use this report to periodically verify the accuracy of commissions from commissary sales.

MANAGEMENT RESPONSE:

We concur with your finding and will make this recommendation part of the updated contract.