

**BROOME COUNTY
DEPARTMENT OF
AUDIT AND CONTROL**

**SHERIFF'S OFFICE
COMMISSARY ADMINISTRATION AUDIT**

November 2007

Alex J. McLaughlin, Comptroller

November 26, 2007

Sheriff David E. Harder,

The Department of Audit and Control has conducted an audit of the Sheriff's Office Inmate Commissary Fund. The principle objective was to ascertain whether commissary funds are being used and accounted for properly in satisfaction with State Corrections Law. Auditing measures were performed to ensure that the Sheriff's Department has implemented adequate controls to effectively manage commissary funds, that bank reconciliations were properly prepared, and to ensure that the commissary account is properly collateralized.

The audit was conducted in accordance with generally accepted auditing standards. Such standards require that the Department of Audit and Control plan and perform the audit to adequately assess the accuracy of the financial records and adequacy of the internal controls, and that we examine, on a test basis, sufficient, competent and relevant evidence to afford a reasonable basis for our conclusions.

Based on the results of our examination, it is our opinion that the Sheriff's Office is in compliance with State Law regarding the commissary fund. It is also our opinion that some improvements are required in the system of internal controls that has been established by the Sheriff's Department relative to this fund, as outlined in the report.

Sincerely,

Alex J. McLaughlin
Comptroller

cc: Barbara J. Fiala, County Executive
Mark R. Whalen, Chairman of the Legislature
Members of the Legislature
Eric S. Denk, Clerk of the Legislature
Christopher H. Marion, Legislative Assistant

COMMISSARY ADMINISTRATION AUDIT

Background Information:

The Commissary is designed for the purpose of making available, for sale to prisoners, personal and convenience items deemed appropriate by the Sheriff or Chief Administrative Officer, consistent with the health and welfare of prisoners and the security and general operation of the facility. The commissary fund consists of the profit the Sheriff's Office makes when inmates buy items (hygiene items, candy, chips and snacks, and other miscellaneous items such as writing pads, stamps, pencils, cards, envelopes, etc.).

Profits from commissary sales are deposited in a separate bank account and are utilized only for purposes of prisoner welfare and rehabilitation. State Law requires that profits from the jail commissary be used to purchase items to benefit inmates. At the end of June 2007, the balance in the commissary fund was \$70,022. The commissary funds are not part of the budget.

The primary objectives of this audit were to evaluate the internal controls of this function and ensure statutory requirements related to the administration of the commissary are being complied with.

Prior Audit

March 2006

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES

-Sheriff's Office-

FINDING 1: SHERIFF'S OFFICE DOES NOT FOLLOW PROPER PROCUREMENT PROCESSES

During the course of our audit, we noted that the Sheriff's Office entered into an agreement for cable services with Time Warner (to be paid with Commissary funds) without going through the proper procurement process.

Procurement of Services valued between \$1000 and \$10,000 should be approved by the Board of Acquisition and Contract.

RECOMMENDATION:

We recommend that the Sheriff's Department follow all applicable County procurement processes.

MANAGEMENT RESPONSE:

The County procurement process will be followed.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES

-Sheriff's Office-

FINDING 2: PAYMENTS EXCEED CONTRACT AMOUNT

During the course of our audit, we reviewed applicable contracts for the purpose of determining that all payments are in accordance with the contract terms. We noted that, since the beginning of the 2007, payments to the cable company (Time Warner) have exceeded the agreed upon amount in the contract.

The contracts are received and held by an employee other than the one who is making the payments. Presently, the information is not shared.

Without routinely comparing billed amounts to the contracted amounts, there is a substantial risk that amounts billed that are not in agreement with the contract will be erroneously paid.

RECOMMENDATION:

We recommend that the Sheriff's Office develop and implement procedures to verify that payments from the Commissary fund comply with the agreed upon amounts in the contracts.

MANAGEMENT RESPONSE:

A copy of all applicable contracts will be given to the Principle Account Clerk.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES

-Sheriff's Office-

FINDING 3: CONTRACTS HAVE NOT BEEN MODIFIED TO SPECIFY PRICE FOR HAIRCUTS AND COMMISSARY ITEMS

During the course of our audit we noted that the contract with Michael Cleney (Barber services) does not specify rates for haircuts and beard trimming. Also, we noted that the agreement with Swanson does not provide the prices for certain indigent packs of commissary items purchased for inmates.

All contracts should clearly outline each party's responsibilities and obligations.

Failure to specify the rates for goods and services increases the risk the Inmate Commissary Fund may be overcharged.

RECOMMENDATION:

We recommend that future agreements with Michael Cleney for barber services specify the rates for those services. We also recommend that future contracts with Swanson, for indigent packages of commissary goods, specify the prices for those goods.

MANAGEMENT RESPONSE:

We have advised the Law Department to include the prices of the charges for service in the contract.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES

-Sheriff's Office-

FINDING 4: INSUFFICIENT POLICIES AND PROCEDURES FOR MANAGING THE COMMISSARY ACCOUNT.

During the course of our audit, we noted that the Sheriff's Office does not have sufficient policies and procedures related to the Commissary fund.

Written policies and procedures codify management's criteria for executing an organization's operations. They document business processes, personnel responsibilities, and departmental operations and promote uniformity in executing and recording transactions.

Written policies and procedures decrease the risk of errors and irregularities.

RECOMMENDATION:

We recommend that the Sheriff's Office prepare, implement and maintain written policies and procedures for managing the Commissary account.

MANAGEMENT RESPONSE:

Written policies have been developed and implemented.