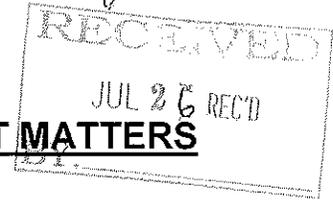


from: Bessent



SHASTA COUNTY SHERIFF'S OFFICE – TRUST MATTERS

Findings:

F1. Sheriff's Trust Administration Fund and Inmate Bank of America Account reconciliations contain old, outstanding reconciling items that should be resolved.

Response: The Sheriff agrees with the finding. This is an issue that staff have been working on to research and resolve for some time. The discrepancies in the reconciliation of the Inmate Bank of America account are related to entries in the Keefe Commissary system and previous discussions between Sheriff's staff and Keefe have not been successful in resolving the issues within Keefe. Staff have begun discussions again with Keefe and are working to resolve the outstanding items through correcting entries in the Keefe system.

F2. Cash and property from adjudicated cases are not being returned to the legal owners or escheated to the Sheriff's Office, because there is no Sheriff's Office staff working on the backlog of cases involving seized evidence, and there are no policies directing appropriate disposal of assets.

Response: The Sheriff partially disagrees with the finding. Staff assigned to the property and evidence unit do return cash and property based upon direction provided from the case agent, the District Attorney, and/or the courts. The return of cash and property does occur but at a rate less than the rate at which new cash and/or property comes in which over time increases the backlog. Limited staffing and workloads related to case investigations limit the available time to research old cases and follow up with the case officer, District Attorney, and/or the courts to obtain releases for property still held that might otherwise be disposed of or returned and for which no direction on disposition was already provided. The property and evidence unit are reviewing more closely and keep a log for found property and safekeeping property which does not require an order for disposition but that must be still disposed of according to statutes.

F3. There are no monthly reconciliations between activity in *Sirron* and *ONESolution*, therefore it is undetermined if one system reconciles with the other.

Response: The Sheriff agrees with the finding. *Sirron* is specially designed software for civil offices in the state of California and is used by various agencies in the state. The software records all civil office transactions and keeps accounting records but does not interface with *ONESolution*. *Sirron* reports are generated that show funds that should be released to creditors or released back to debtors, and *Sirron* also generates revenue reports for services that

have been completed. Civil staff run these reports and that information is the basis for all transactions that are entered into ONESolution. The only reconciliations that currently do occur are manual verifications that the transaction amounts as entered into ONESolution match the records that are provided out of Sirron; these verifications are conducted by Sheriff accounting staff not assigned to the Civil unit. Outside of that verification, a monthly reconciliation between the activities in the two systems is not done.

- F4.** There is no monitoring of old unpaid accounts in the Wage Garnishment Fund, leaving the potential for the Sheriff's Office to not remit monies due to claimants.

Response: The Sheriff disagrees with the finding. For open cases within Sirron, the software will notify when funds are available for disbursement based on rules for distribution, so Sirron has logic built in for distributing funds not marked as held. Distribution reports and claims to distribute funds are run approximately every two weeks. For held funds, there are reports for bankruptcy holds and writ of attachment holds but there is no automated calendar within Sirron to prompt civil staff on these; as such a bankruptcy folder and writ of attachments folder are kept by staff and reviewed routinely to know when held funds may be released. Sirron also has a Trial Balance report which shows all cases for which there are funds are still recorded in Sirron as being held, including cases that have previously been closed. The Trial Balance report has only recently been used routinely and contributes to these other automated and manual mechanisms which staff employ to reduce the potential of funds due to claimants not being processed for distribution.

- F5.** There is not a process to review address changes entered by employees in *Sirron*, leaving potential for fraud or errors to occur.

Response: The Sheriff disagrees with the finding. Sirron maintains a security log of all transactions that occur within the software which captures all address changes and the user who made the change. This security log provides a mechanism to audit and review address changes. Currently there is no staff assigned to do such a review, as such, the Sheriff does agree that implementation of a policy to better monitor this process should occur.

- F6.** There is potential for loss of cash from new inmates being booked in Shasta County jail because there is no reconciliation between *Keefe* reports and booking sheets.

Response: The Sheriff partially disagrees with the finding. There is always a potential for miscounting or erroneously depositing the funds into another inmates Keefe account inadvertently. Rarely, if ever, would the cash be lost. The area where new inmates are brought into the Jail is under 24 hour recorded video surveillance, Correctional Officers count an inmate's funds in this recorded area, the funds are secured in the Sergeant's safe, and once an account number is established at booking then the funds are deposited into the inmates account in the same video recorded area through a Keefe kiosk. The inmate, at the time of booking, is provided the information of property and cash that were in the inmate's possession at time of intake and the inmate acknowledges and signs. The Sheriff does agree that a reconciliation between the Keefe reports and the booking sheets will reduce the potential for deposit and miscounting errors of cash deposited during jail intake processes. Staff have authored a draft policy that will implement a reconciliation process to the Keefe reports.

- F7.** There are no policies and procedures for the Sheriff's Trust Administration or Wage Garnishment Funds relating to administering and reconciling the accounts, resulting in staff having no guidelines to administer the funds.

Response: The Sheriff partially disagrees with the finding. The Sheriff's Office utilizes the Shasta County Auditor-Controller guidelines for accounting procedures which do not specifically address administering and reconciling trust accounts; they do however provide instructions for reconciliation of deposits for cash, checks, and credit cards; processes for payment of claims; and guidance on internal controls. It is recognized that the addition of policies and procedures specific to the Sheriff's Trust Administration and Wage Garnishment Fund would be beneficial to providing staff additional guidelines on proper administration of the funds and the Sheriff's Office will finalize a department specific draft policy that will be completed and implemented by September 30, 2016.

- F8.** There is insufficient supervision over trust fund reconciliation processes, leaving the potential for fraud or errors to occur.

Response: The Sheriff partially disagrees with the finding. Monthly reconciliations of Sheriff's Office trust funds, excepting the Civil trust funds, are completed by Sheriff's Office staff responsible for those functional areas and errors when they are discovered during the reconciliation are researched and corrected. There have been some outstanding reconciliation items that have been identified as needing corrective action and Sheriff's staff are working to finish that process. Civil trust funds are not currently reconciled between the Siron system and the ONESolution system and as such the Sheriff recognizes that there could be a potential for errors to occur; better processes and written policies are being crafted to reduce that potential and provide better control and supervision of those account reconciliations.

F9. There is insufficient oversight of all Sheriff's Office cash and property held as asset forfeiture, or in assets held in evidence, leaving the potential for fraud and errors to occur.

Response: The Sheriff partially disagrees. Current management is assigned oversight of these functions. The Sheriff's Office will review and check on the status of cash and property held as asset forfeiture and assets held in evidence to determine if there are reasonable changes to policies and procedures that would increase internal controls and further reduce the potential for errors. The cash taken under asset forfeiture processes is deposited with the City of Anderson and once held there, no longer physically under the direct control of the Sheriff.

Recommendations:

R1. The Grand Jury recommends the Sheriff's Office clears all old outstanding items in the Sheriff's Trust Administration Fund and the Inmate Bank of America Account by December 31, 2016

Response: Partially agree. This recommendation conflicts with Recommendation R2 in that the recommendation to clear the backlog of cases involving cash (which is held in a Sheriff's Trust Administration Fund) and property held in evidence is recommended to be implemented by June 30, 2017. Notwithstanding that discrepancy, the Sheriff's Office will work on clearing those other items in the Sheriff's Trust Admin Fund. Old outstanding items noted in the Bank of America reconciliation continue to show due to limitations in the Keefe software. Staff have started a dialog with Keefe to work on a process to post correcting entries in the Keefe system to clear up these outstanding items within Keefe.

R2. The Grand Jury recommends the Sheriff's Office hires temporary staffing by December 31, 2016, and implements a plan to clear the backlog of cases involving cash and property held in evidence by June 30, 2017.

Response: Partially agree. The process of properly disposing of held property and cash requires coordination with the case officer, the District Attorney's Office, and the Crime Lab so Sheriff's staff will work with these stakeholders to develop and implement a plan by June 30, 2017 to clear the backlog. Having the plan implemented by this date will allow the Sheriff to include in the requested fiscal year 2017/18 budget funding for the recommended temporary staff to assist in implementation of the plan and clearing of the backlog. The recommended hire date of December 31, 2016 would potentially be prior to the implementation of the plan and also would require identifying additional funding in the current budget year that was not

included in the fiscal 2016/17 budget. In the interim, the current evidence and property staff will continue to work on the backlog of cases.

- R3.** The Grand Jury recommends the Auditor-Controller and the Sheriff's Office initiate a process to reconcile the activity and balances between *Sirron* and *ONESolution* and ensure that ongoing monthly reconciliations of the new process occur by December 31, 2016

Response: Partially agree. The reconciliation is the responsibility of the Sheriff's Office, and staff will initiate a process to reconcile the activity and balances between *Sirron* and *ONESolution* to better document monthly that the amounts transacted in *Sirron* match the amounts transacted in *ONESolution*. The Auditor-Controller's Office has advised they will provide assistance if needed.

- R4.** The Grand Jury recommends the Sheriff's Office initiates a monthly review of old unpaid accounts in the Wage Garnishment Fund by September 30, 2016.

Response: Agree. The Sheriff's Accounting unit will provide additional review of old unpaid accounts in the Wage Garnishment fund utilizing the *Sirron* Trial Balance Report by September 30, 2016 which will provide additional oversight to the processes already in place by civil staff to review the accounts in the Wage Garnishment Fund.

- R5.** The Grand Jury recommends the Sheriff's Office immediately initiates a monthly process where a separate employee reviews address changes made in *Sirron*.

Response: Agree. The Sheriff's Office has implemented a policy to require all address changes be sent to the Sheriff's Accounting Unit for review and verification of the accuracy of all address changes. *Sirron* maintains a security log of all transactions that occur within the software which captures all address changes and the user who made the change. This new process in conjunction with the security log will provide a better mechanism for review and audit of address changes.

- R6.** The Grand Jury recommends the Sheriff's Office initiates a process by September 30, 2016, to reconcile all cash deposited in Keefe to the booking sheets for inmates booked for the first time into the Shasta County jail.

Response: Agree. The Sheriff's Office will initiate a process by September 30, 2016 to reconcile the cash deposited in Keefe to the record of cash from all inmates booked for the first time into the Shasta County jail.

R7. The Grand Jury recommends the Sheriff's Office creates policies and procedures by December 31, 2016, for the Sheriff's Administration Trust Fund and Wage Garnishment Fund accounts relating to administration and reconciliation of the accounts.

Response: Agree. The Sheriff's Office will create internal policies and procedures specific to the administration and reconciliation of the accounts by December 31, 2016.

R8. The Grand Jury recommends the Auditor-Controller and the Sheriff's Office ensure all Sheriff's Office trust account reconciliations occur monthly, with old outstanding items cleared by December 31, 2016.

Response: Partially agree. For the Sheriff's Office, this will be addressed in the specific policy and procedures as recommended in R7, however old outstanding items held may have different time tables for clearing, such as evidence cases involving cash held in the trust fund.

R9. The Grand Jury recommends the Auditor-Controller initiates a plan by December 31, 2016, to conduct more frequent surprise audits of assets held as evidence.

Response: Disagree. It is not the responsibility of the Auditor-Controller to conduct audits of held evidence. Evidence is held in secure facilities and access should be limited to assigned staff who have had completed a comprehensive background and who are employees of a law enforcement agency to maintain the integrity of controls on evidence.

R10. The Grand Jury recommends the Sheriff's Office assigns specific management personnel by September 30, 2016, to be responsible for the oversight of all aspects of assets held under asset forfeiture and in evidence.

Response: Partially agree. Current management is assigned oversight of these functions, however, the Sheriff's Office will review and check on the status of the cash and property held as asset forfeiture and assets held in evidence to determine if there are reasonable changes to policies and procedures that would increase internal controls and further reduce the potential for errors.