



Audit of Sheriff's Inmate Trust Account

October 2021



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A Review of the Utah County Jail Food Service

Executive Summary

Background and Purpose

The Utah County Internal Auditors completed a financial statement review of the Utah County Jail Inmate Trust Account for the years ended 2017 through 2020, and the period ended 2/28/2021. A review provides limited assurance, but not absolute assurance that the financial statements provided by Utah County are true and fair. We have become aware of several matters which cause us to believe the financial statements do not present a true and fair view.

The Inmate Trust Account includes:

- Commissary and savings accounts
- Pay-to-Stay fees
- Jail Industries and Work Diversion pay
- Phone Time charges
- Medical Copay / DNA Testing

The Utah County Sheriff's Office states that:

The primary goal of the Corrections Facility is to provide inmates the opportunity to participate in and benefit from educational, treatment and rehabilitative programs. These programs are intended to enable inmates to re-enter the community better prepared to deal with their responsibilities as a contributing community member.

What We Found

Beginning balance for the Inmate Trust account is unreliable after the Sheriff's Office switched from Canteen Manager to Lockdown.

Review of the Utah County general ledger and financial statements kept on management software used by the Utah County Sheriff's office suggest that there are major concerns as to the accuracy of the checking account balance for the inmate trust fund.

Wells Fargo and Utah County keep bank statements on file for four years at which point those records are destroyed. Due to this fact bank reconciliations for the Inmate Trust account were reviewed for the periods ending 12/31/2017, 12/31/2018, 12/31, 2019, 12/31/2020, and as of February 28, 2021.

Year-end balances for the above-mentioned dates as follows:



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General Ledger Year-End Inmate Checking Account					
	12/31/2017	12/31/2018	12/31/2019	12/31/2020	2/28/2021
	\$ 34,798.67	\$ 49,267.06	\$ 45,575.95	\$ 34,244.81	\$ 35,449.24
Canteen Manager / Lockdown Year-End Inmate Account Balances					
	12/31/2017	12/31/2018	12/31/2019	12/31/2020	2/28/2021
	\$ 64,864.58	\$ 78,736.16	\$ 40,391.54	\$ 29,571.45	\$ 21,153.23

Both the Sheriff's Office and the Clerk/Auditor's Office have access to the bank statements provided by Wells Fargo. However, in no period did the general ledger agree to the bank account balances used by the management software in the Sheriff's Office.

Inquiry was made with Nancy Killian, Lieutenant – Corrections, as to who reconciles the Inmate Trust account. The response from Nancy was, "Danene Jackson and Neva Gordon both do separate reconciliations of the bank account." When the year-end bank reconciliations were requested from Neva for Canteen Manager and Lockdown, Neva replied, "...I only have back to January of 2020. I did not know that I had to keep those for more than a year. I do not have the supporting documents. When I do the rec, I shred those. Sorry. I will send you what I have..." What was sent cannot be considered bank reconciliations. Bank statements were provided with a single page added to each statement in what is thought to be the reconciliation. This page contains a spreadsheet but does not discern between deposits and withdrawals, nor does it contain a beginning or ending balance. In addition, the page contains a list of handwritten inmate names and denominations next to those names but does not explain whether these amounts are deposits or withdrawals.

The balances from the reconciliations provided by Danene Jackson, Financial Controller, agree to the general ledger and provide detailed information with beginning and ending balances. In addition, the year-end balances for the Sheriff's Office and the Clerk/Auditor's Office were off from each in the ranges of 46%, 37%, 13%, 16%, and 68% for year-ends 12/31/2017 through 2/28/2021. The change from Canteen Manager to Lockdown does not seem to have helped the Sheriff's Office in managing this bank account.

After switching management software, ending balances in Canteen Manager for inmates agreed with the beginning balances in Lockdown.

At the time the Utah County Sheriff's Office switched management software there were 272 inmate accounts that had a balance of at least \$0.01. All 272 ending balances from Canteen Manager agreed with beginning balances from Lockdown.

The identification number received at an inmates initial booking does not stay with them if they are released having accumulated debt and/or are booked at the Utah County Jail multiple times.



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The auditor's office asked the following question of the Sheriff's Office accounting manager in charge of the inmate accounts,

Is the ID number that was recorded in Canteen Manager and now Lockdown the same as the statewide offender ID (SID)? Also, are there any reasons that an inmate ID number would or could be changed? If so, what events/reasons would justify an inmate ID number change?

The accounting manager response was as follows,

The SID number is NOT the same as the inmate number. The inmate gets a new number every time he/she is booked in. There is an update option so that the Booking Clerk can change the old number to the new current booking number. The SID or BCI number is not in Canteen or Lockdown. Those numbers are found in JMX. Also, if an inmate account has been sent to Collections, no new debt can be added to that account. Sometimes we have to create an old account for that same inmate in order to charge them for the new debt.

Inquiry into this matter with a representative from Lockdown revealed that there is no need to create a new inmate account or a new ID number to collect debt after an inmate has been released. In addition, the original account and ID number can be used for the same inmate even if they are booked multiple times. Finally, Lockdown allows users to edit or update inmate accounts in a manner that will allow Lockdown to use the SID number as the inmate ID number.

What We Recommend

To improve the timeliness and accuracy of reconciliations:

Have monthly supervisory review of reconciliations. In addition, when needed seek the guidance of the Auditor's Office if reconciliations are not balancing.

To reduce the need for multiple ID numbers:

Work with Summit on the ability to update Lockdown functionality to allow for one inmate account.



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Summary of Agency Response

The Sheriff's Office will implement monthly reconciliations with supervisory review. In addition, it was noted that the Summit software requires the closing of an account when an inmate is released. As such, a new inmate account (with a new ID) is required if there is outstanding debt upon the release of an inmate. This will require the Sheriff's Office to continue to use multiple ID numbers for the same inmate.

Introduction

Background

Financial Statement Review

We recently completed a review of the Utah County Jail Inmate Trust Account for the years ended 2017 through 2020, and the period ended 2/28/2021. A review provides limited assurance, but not absolute assurance that the financial statements provided by the Utah County financial system are true and fair. We have become aware of several matters that cause us to believe the financial statements do not present a true and fair view.

The Utah County Jail Inmate Trust Account

The Utah County Jail Inmate Trust Account acts like a bank account of an offender while they're incarcerated. Money is added to their account either through earnings from the jail industries program or funds contributed by third parties. The trust account includes:

- Commissary and savings accounts
- Pay-to-Stay fees
- Jail Industries and Work Diversion pay
- Phone Time charges
- Medical Copay / DNA Testing



Objectives

Our review objective was to analyze the bank reconciliations provided by the Sheriff's Office financial analysts. The reconciliation balances were compared to the balances recorded in the Utah County general ledger. In addition, the ending balances on the last day of use on the Canteen software were compared to the beginning balances recorded on the first day of use in the Lockdown software. It is unclear as to if management has implemented key internal controls over their financial processes in a manner sufficient to comply with Utah County Policy and to provide reasonable assurance against the risk of fraud, waste, and abuse.

Scope and Methodology

Our review covered the periods for the years ended 2017 through 2020, and the period ended 2/28/2021. Our review work included a formal examination of the following financial statements:

- Bank reconciliations provided by the Sheriff's Office
- Inmate Trust balances as found in the Canteen and Lockdown programs
- General Ledger

In addition to examining financial statements, we reviewed supporting documentation found in Canteen and Lockdown programs. The information reviewed focused on the individual inmate account balance and tested this information against bank statements for the periods reviewed.

Review Results

FINDINGS AND RECOMMENDATIONS

CHECKING ACCOUNT BALANCE

Finding 1: Ending balance for Canteen Manager does not agree with the beginning balance of Lockdown

The ending balance in Canteen Manager on 3/5/2019 was \$49,039.37. However, the beginning balance in Lockdown on 3/5/2019 was \$26,514.41. It is unclear as to why the difference of \$22,524.96 was not transferred from Canteen Manager to Lockdown for the beginning balance in the new management software.

Recommendations



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We recommend that the Sheriff's Office financial analysts review with the Auditor's Office financial analysts the ending balance of Canteen manager and the beginning balance of Lockdown. After the difference(s) has been found make the proper accounting adjustment to reflect the proper beginning balance for Lockdown.

Finding 2: Reconciliations continued to be done in Canteen Manager even after the Sheriff's Office made the switch to Lockdown.

The financial analyst in the Sheriff's Office continued to reconcile the checking account in Canteen manager for the following periods:

- 03/01/2019 – 03/26/2019
- 03/27/2019 – 03/31/2019
- 04/01/2019 – 04/30/2019
- 05/01/2019 – 08/01/2020
- 08/02/2020 – 04/08/2021

If the switch from Canteen Manager took place on March 5th, 2019, then why were reconciliations made for these five periods? Also, if there was a reason that reconciliations were needed to be done in Canteen Manager, then why weren't any done for year end 12/31/2019 and 12/31/2020?

The checks and deposits reconciled in Canteen Manager after the switch to Lockdown were never transferred to the Lockdown system. On the final reconciliation in Canteen there was an adjustment of \$104,671.19 made on 04/08/2021 to close out Canteen Manager. However, there is no record of this adjustment entering into Lockdown.

It is not the responsibility of the Clerk/Auditor's office to perform the reconciliation as a primary function but to review the reconciliation performed by the Sheriff's Office as to its accuracy and timeliness. What efforts have been made by the Sheriff's Office financial managers and supervisors to work with the financial analysts in reconciling this account? What efforts have been made by the Sheriff's Office to work with the Clerk/Auditor's office in reconciling this account?

Recommendations

We recommend that the Sheriff's Office financial analysts review with the Auditor's Office financial analysts the ending balance of Canteen manager and the beginning balance of Lockdown. After the difference(s) has been found make the proper accounting adjustment to reflect the proper beginning balance for Lockdown.

Sheriff's Office financial analysts should perform reconciliations monthly with review from their supervisor before they are submitted to the Auditor's Office.



Finding 3: Multiple identification numbers were used for the same inmate.

When comparing ending balances of Canteen Manager with the beginning balances of Lockdown it was found that of the 272 currently incarcerated inmates with account balances, 110 had a different ID number in Lockdown from what was recorded in Canteen Manager.

Recommendations

We recommend that the Sheriff's Office review the inmate accounts that have different ID numbers from the change from Canteen to Lockdown to assess why changes were made.

Finding 4: Different inmate identification numbers have been used for recognition and collection of former resident debt.

The "Former Resident Debt" report found in Lockdown from the randomly selected date of July 28th, 2021, shows that there were 8,151 accounts for released inmates with debt totaling \$4,460,213. Of these 8,151 accounts, there were 685 inmates with more than one account. These duplicate accounts had a total of \$847,527 in debt. In other words, 8.4% of the released inmates accounted for 19% of the total former resident debt.

Of the 685 inmates with more than one account, 638 had two accounts, 44 had three accounts.

Discussion with the Lieutenant responsible for tracking these inmate accounts revealed that the Lockdown program requires that inmate accounts be closed upon the release of an inmate thus the need to open a new account for former residents.

Recommendations

We recommend that the Sheriff's office, through a Utah County programmer, work with the Lockdown programmers to find a way to allow for one account ID for the entirety of the inmate account balance.

Finding 5: Inmate ID numbers in management software do not reflect the state issued ID number.

The Utah County Jail does not use the statewide offender ID (SID) as the initial ID for an inmate. Instead, the Jail keeps an inmate roster that keeps record of both the SID and the inmate ID that is generated for use in the Jail Management System (JMX) and the inmate trust fund (Lockdown).



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It is understood that using the SID number as the initial ID will cause issues upon an inmates release because when an account is closed and an inmate is released, with or without debt, the SID number will no longer be available for use if the released inmate is reincarcerated.

Recommendations

We recommend that the Jail look into the possibility with Lockdown (see finding 4 recommendation) for an option of having an account be inactive as opposed to being closed.



Agency Response

Agency Response for Inmate Trust Fund

Finding 1: Ending balance for Canteen Manager does not agree with the beginning balance of Lockdown

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>We recommend that the Sheriff's Office financial analysts review with the Auditor's Office financial analysts the ending balance of Canteen manager and the beginning balance of Lockdown.</i></p> <p><i>Make proper accounting adjustment to reflect the proper beginning balance for Lockdown.</i></p>	Agree	<p>According to Summit Canteen manager was off when they took over the account. I've heard there is a \$6,000 PO to the Treasurer's office. There were a lot of issues with the canteen inmate account.</p> <p>Sheriff's Office Finance Manager and Accountant will work to find accurate ending and beginning balances between Canteen and Lockdown. Adjustments will be made after complete review.</p>	12/2021

Finding 2: Reconciliations continued to be done in Canteen Manager even after the Sheriff's Office made the switch to Lockdown.

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<p><i>Sheriff's Office financial analysts review with the Auditor's Office financial analysts the ending balance of Canteen manager and the beginning balance of Lockdown.</i></p> <p><i>Make proper accounting adjustment to reflect the proper beginning balance for Lockdown.</i></p> <p><i>Sheriff's Office financial analysts should perform reconciliations monthly with</i></p>	Agree	<p>Sheriff's Office Accountant and Accounting Tech will work to reconcile Lockdown monthly. These monthly reconciliations will be approved by the Sheriff's Office Finance Manager and supervising Lieutenant of Lockdown.</p>	12/2021



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<i>review from their supervisor before they are submitted to the Auditor's Office.</i>			
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Finding 3: Multiple identification numbers were used for the same inmate.

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>We recommend that the Sheriff's Office review the inmate accounts that have different ID numbers from the change from Canteen to Lockdown to assess why changes were made.</i>	Agree	Sheriff's Office Finance Manager and Accountant will work to find accurate ID numbers from Canteen to Lockdown. These numbers should have just transferred over.	12/2021

Finding 4: Different inmate identification numbers have been used for recognition and collection of former resident debt.

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>We recommend that the Sheriff's office, through a Utah County programmer, work with the Lockdown programmers to find a way to allow for one account ID for the entirety of the inmate account balance.</i>	Disagree	<p>This isn't going to work for the Sheriff's Office. The jail booking program JMX already has a way to tie all of the inmate accounts to each other. We will not use one ID number for each inmate. There are several reasons for this.</p> <p>1. If an inmate's account is sent to collections, we have to close that account and cannot do anything with that account number. Eventually numbers will not be able to be used due to this.</p> <p>2. JMX is our Jail Management System. When an officer brings an arrestee/inmate to book him into our jail the booking number is automatically generated when the officer saves the inmate's personal information into the jail management system. This essentially</p>	12/2021



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		<p>is the inmate's file for their current stay in the jail. This number/file is used for a great deal of information. We use this number in lockdown, in our medical program (to keep track of the inmate and to bill for services), and our jail management system so that all of our programs can talk to one another, and we have a separate file/record for each inmate for each stay.</p>	
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Finding 5: Inmate ID numbers in management software do not reflect the state issued ID number.

RECOMMENDATION(S)	AGREE/ DISAGREE	ACTION PLAN	TARGET DATE
<i>We recommend that the Jail look into the possibility with Lockdown (see finding 4 recommendation) for an option of having an account be inactive as opposed to being closed.</i>	Agree	Lt. Killian will be in contact with Summit to see if there is a way to merge each inmate's accounts with their system.	12/2021