



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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11-08

November 10, 2020

The Honorable Richard D. Wiles  
El Paso County Sheriff  
3850 Justice Drive  
El Paso, Texas 79938

Dear Sheriff Wiles:

The County Auditor's Internal Audit division performed an audit of the El Paso County Sheriff's Jail Commissary to determine if internal controls are adequate to ensure proper statement of inmate accounts and proper preparation of Commissary Inmate Profit Fund financial reports. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested five financial controls with a total of 113 samples. There were no findings noted as a result of the audit procedures. We wish to thank the management and staff of the Sheriff's Office and Aramark for their assistance and courtesies extended during this audit.

Because of certain statutory duties required of the County Auditor, this office is not independent in regard to your office, as defined by AICPA professional standards. However, our audit was performed with objectivity and due professional care.

Respectfully,

A handwritten signature in blue ink that reads "Edward A. Dion".

Edward A. Dion  
County Auditor

EAD:PT:ya

cc: Ms. Betsy Keller, Chief Administrator



**El Paso County Sheriff's Office  
January 2019 to March 2020  
Jail Commissary Audit  
EXECUTIVE SUMMARY**

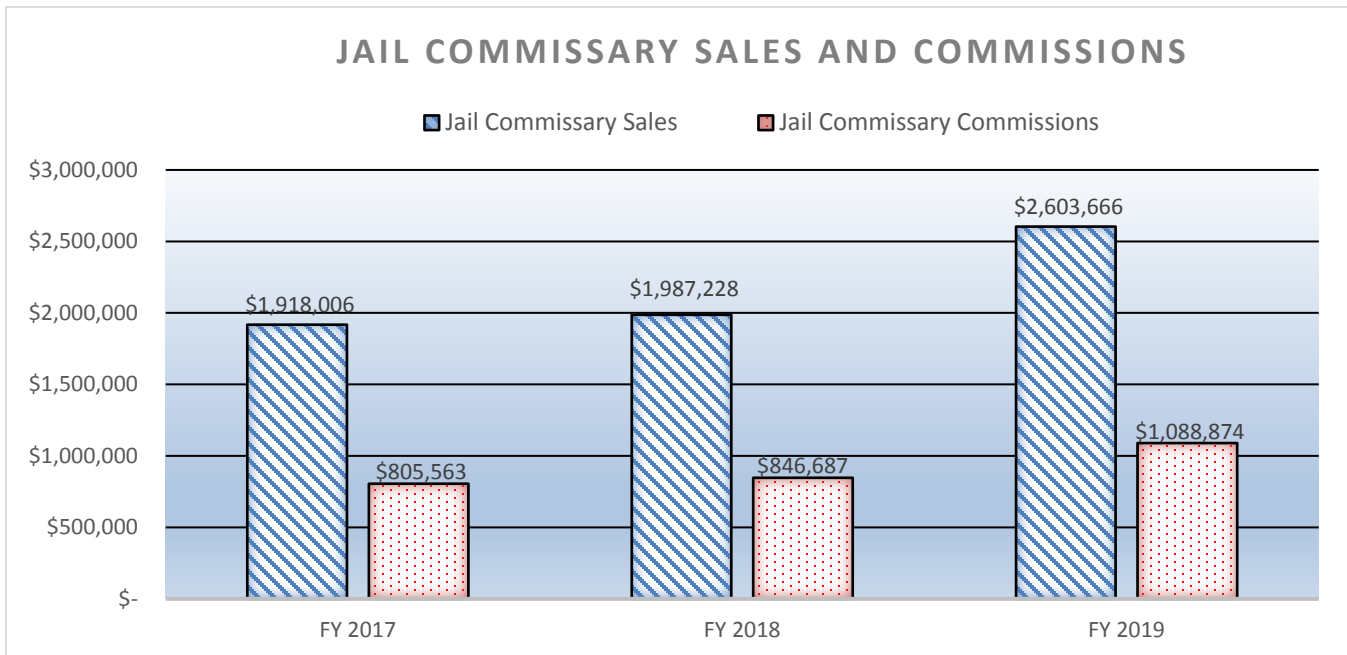


**BACKGROUND**

The Jail Commissary, operated by Aramark Corporation, is for the use of County jail inmates to purchase personal hygiene items, snacks, stationery, and phone time. Jail commissary sales commissions fund the Inmate Profit Fund, which may be used for expenditures outlined in *Local Government Code § 351.0415 (c)*. On March 2019, the Inmate Profit Fund started receiving commissions from I-Care packages. Financial reporting was reviewed using information from the Inmate Trust Bank Statement, Munis (the County financial system) and the Aramark Core System. Internal Sheriff's Office reporting was also used during the course of the audit. The audit was performed by Phillip Trevizo, internal auditor. The most recent prior audit report was issued on January 3, 2020.

**FINANCIAL REPORTING**

The Commissary Inmate Profit Fund fiscal year 2019 balance sheet; combined statement of revenues, expenditures, and changes in fund balance; and schedule of revenues, expenditures, and changes in fund balances – budget and actual as reported in the 2019 El Paso County Comprehensive Annual Financial Report (CAFR) are attached. The CAFR can be accessed at [http://www.epcounty.com/auditor/publications/cafr/cafr\\_19/main.htm](http://www.epcounty.com/auditor/publications/cafr/cafr_19/main.htm). The following chart is an analysis of jail commissary sales and commissions for the past three fiscal years.



\* Increase in FY19 sales and commission is due to an increase in the percentage of commissions paid and the inclusion of commissions from I-Care packages.

**OBJECTIVES**

The audit evaluated the adequacy of controls and processes used to achieve key business objectives related to the Jail Commissary. Following are the business objectives and related control assessments.

Business Objective	Control Assessment
1. Complete and accurate bank reconciliations	Satisfactory
2. Accurate inmate commissary account order and return credit transactions	Satisfactory
3. Appropriate and timely posting of manual receipts to Aramark Core	Satisfactory
4. Accurate and complete commissary sales commissions	Satisfactory
5. Review and approval of allowable expenditures	Satisfactory

**SCOPE**

The scope of the audit is from January 2019 through March 2020.



**El Paso County Sheriff's Office  
January 2019 to March 2020  
Jail Commissary Audit  
EXECUTIVE SUMMARY**



**METHODOLOGY**

To achieve the audit objectives we:

- Reviewed a sample of bank reconciliations for completeness and timeliness.
- Reviewed a sample of Inmate Commissary orders and return credits.
- Tested a sample of manual receipts for appropriate and timely posting to the Aramark Core System.
- Reviewed a sample of Jail Commissary Profit Fund commissions and verified transfer to the Inmate Profit Fund.
- Tested a sample of personnel, operating, equipment and contracted services expenditures to verify compliance with *Local Government Code § 351.0415 (C)*.
- Reviewed prior audit action plans for implementation status.

**RESULTS**

Listed below are control and finding summaries, with findings listed from highest to lowest risk. The status of prior year audit action plans may be found in the *Findings and Action Plans* section of this report.

<b>Control Summary</b>	
<b>Good Controls</b>	<b>Weak Controls</b>
<ul style="list-style-type: none"> <li>• Reconciliation of bank account (Obj. 1)</li> <li>• Posting of orders and return credits to inmate accounts (2)</li> <li>• Posting of manual receipts (Obj. 3)</li> <li>• Weekly report of Commissary Sales Commissions (Obj. 4)</li> <li>• Review of Inmate Profit Fund expenditures (Obj. 5)</li> </ul>	
<b>Findings Summary</b>	
None.	

**INHERENT LIMITATIONS**

This financial review was designed to provide reasonable assurance that the internal control structure is adequate to safeguard the County's assets from loss, theft, or misuse. The County's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected.

**CONCLUSION**

The El Paso County Sheriff's Office met all of the objectives for this audit. We wish to thank the staff of the Sheriff's Office and Aramark for their courtesies extended during this audit.



**El Paso County Sheriff's Office  
January 2019 to March 2020  
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Findings and Action Plans**



**Prior Audit Findings Summarized with Current Status**

**Status**

**Closed** (M)

1. **Finding:** While reviewing a sample of return order credits it was noted in 14 instances, 19% of return credits sampled, the return credit was not applied to the inmate's account.  
**Recommendation:** We recommend the Sheriff's Office contact Aramark to advise them of the importance of ensuring operating procedures are followed by personnel when submitting inmate order return credits to the individual responsible for processing return credits.  
**Action Plan:** Aramark has been advised the importance of following operating procedures for inmate order return credits. Furthermore, Aramark management provided updated written procedures for inmate order credits. *Resolved*

**Status**

**Closed** (M)

2. **Finding:** The inmate trust bank account was debited with fraudulent ACH transactions in April 2018, May 2018 and June 2018 for a total of \$2,117.35. BITS disputed the charges and the funds were replenished by the bank except for one ACH transaction (Verizon Wireless \$122.72). The dispute was denied by the bank because the claim had been submitted after the allowable time for disputed transactions (60 days).  
**Recommendation:** BITS management should establish documented policies and procedures for bank reconciliations, and ensure that bank reconciliations are completed within 45 days of month closing; reconciling items should be cleared within 90 days unless extenuating circumstances exist. Furthermore, we recommended BITS staff perform on-going cursory reviews of the inmate trust bank account to check for any unusual bank activity.  
**Action Plan:** BITS management will establish a written policy requiring bank reconciliations be completed within 45 days of month closing. We will continue working with the newly implemented solution of placing all ACH transactions on hold until BITS approves/disapproves every transaction. *Resolved*