



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA
COUNTY AUDITOR
edion@epcounty.com
www.epcounty.com/auditor

County Administrative Offices
800 East Overland Street, Rm. 406
El Paso, Texas 79901-2407
(915) 546-2040
(915) 546-8172 FAX

05-23

May 23, 2023

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 seven financial controls with a total of 137 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
 October 2021 to December 2022
 Jail Commissary Audit
 EXECUTIVE SUMMARY**

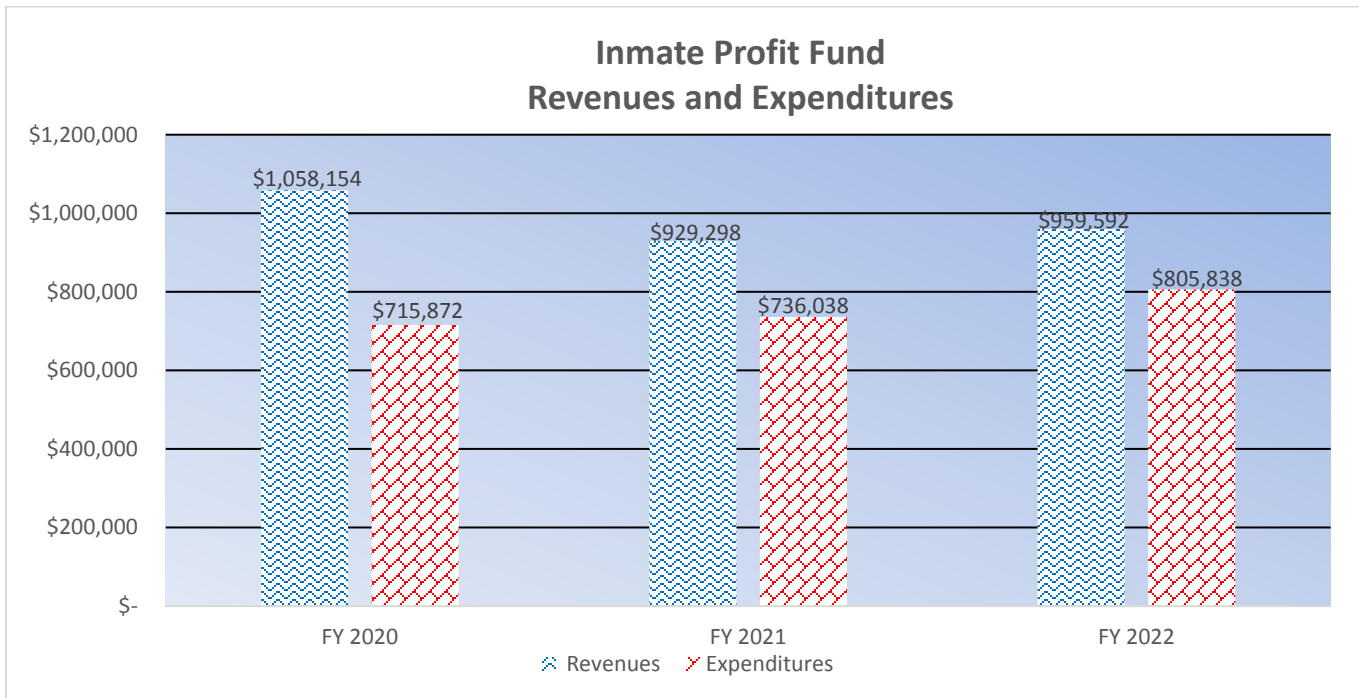


BACKGROUND

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 (LGC) § 351.0415 (c)*. Financial reporting was reviewed using information from the Inmate Trust Bank Statement, Enterprise ERP (the County financial system) and the Aramark Core System. Internal Sheriff's Office reporting was also used during the audit. The audit was performed by Phillip Trevizo, internal auditor. The most recent prior audit report was issued on April 19, 2022.

FINANCIAL REPORTING

The Commissary Inmate Profit Fund fiscal year 2022 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 2022 El Paso County Annual Comprehensive Financial Report (ACFR) are attached. The ACFR can be accessed at <http://www.epcounty.com/auditor/publications/acfr.htm>. The following chart shows Commissary Inmate Profit Fund revenues and expenditures for the past three fiscal years.



Source: El Paso County ACFR

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. Functioning appropriate cash controls	Satisfactory
2. Complete and accurate bank reconciliations.	Satisfactory
3. Accurate inmate commissary account order and return credit transactions.	Satisfactory
4. Timely deposits in accordance with <i>Local Government Code (LGC) § 113.022</i> .	Satisfactory
5. Appropriate and timely posting of manual receipts to Aramark Core.	Satisfactory
6. Accurate and complete commissary sales commissions.	Satisfactory
7. Review and approval of allowable expenditures.	Satisfactory



**El Paso County Sheriff's Office
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SCOPE

The scope of the audit is from October 2021 through December 2022.

METHODOLOGY

To achieve the audit objectives, we:

- Performed a surprise cash count in accordance with *Local Government Code § 115.0035*.
- Tested a sample of bank reconciliations for completeness and timeliness.
- Tested a sample of Inmate Commissary orders and return credits.
- Tested a sample of daily collections for completeness, accuracy, and timeliness to ensure compliance with *LGC 113.022*.
- Tested a sample of manual receipts for appropriate and timely posting to the Aramark Core System.
- Tested 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 *LGC § 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. There are no findings reported this audit. Please see the *Findings and Action Plans* section of this report for the status of the prior audit report action plans.

Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> • Functioning cash controls (Obj. 1) • Reconciliation of bank account (Obj. 2) • Posting of orders and return credits to inmate accounts (Obj. 3) • Timely deposits of collections (Obj. 4) • Posting of manual receipts (Obj. 5) • Weekly report of Commissary Sales Commissions (Obj. 6) • Review of Inmate Profit Fund expenditures (Obj. 7) 	
Findings Summary	
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 seven objectives of this audit. Internal controls are adequate to ensure proper preparation of the financial reports.



**El Paso County Sheriff's Office
October 2021 to December 2022
Jail Commissary Audit
Findings and Action Plans**



Prior Audit Findings Summarized with Current Status

Status

Closed 

1. **Finding:** While reviewing a sample of weekly Aramark commissions reports we noted Aramark was not paying commissions on frozen food items due to the new items not being updated in the system. Also, I-Care commission payments became inconsistent due to a new invoicing system that had been implemented.

Recommendation: We recommend Sheriff's staff review invoices for accuracy to ensure commissions continue to be paid in accordance with the commissary operating agreement. We also recommend the implementation of a quarterly 30 days past due commission report to the Executive Administrative Officer for further escalation.

Action Plan: Sheriff's staff will continue to review invoices for accuracy to ensure commissions are being paid out in accordance with the commissary operating agreement. Staff will also submit a 30 day past due quarterly report to the Executive Administrative Officer for further escalation.

Resolved