



COUNTY OF ONONDAGA

Office of the
County Comptroller

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October 17, 2017

Mr. William J. Hanna III, Commissioner
Onondaga County Department of Correction
PO Box 143
6660 East Seneca Turnpike
Jamesville, New York 13078

Dear Commissioner Hanna:

An audit of the Department of Correction Trust and Agency Accounts: Commissary Funds and Inmate Trust Funds was performed in July 2017. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the recorded fund balance and the related expenditures are free of material misstatement. This recorded fund balance and the related expenditures are the responsibility of the department's management. Our responsibility is to express an opinion on these amounts based on our audit. An audit includes examining, on a test basis, evidence supporting the fund amount and expenditures. We believe that our audit provides a reasonable basis for our opinion.

Generally, records and backup documentation tested for these accounts were complete and well organized except for the following housekeeping items.

Commissary Funds

- A. We noted the contract for the vendor providing commissary services and technology expired February 28, 2017. An amendment was signed by the County Executive on August 2, 2017 to extend the contract through February 28, 2018.

We understand the Accountant II contacted the Division of Purchase in December 2016 about the contract. Due to the vendor merging with another in 2016, there was an issue with the name change, tax id number and insurance coverage. The Accountant II provided

emails dated in April, May and July 2017 between the Department, Division of Purchase and the commissary vendor regarding follow up on the contract extension.

Recommendation

1. *We recommend in the future the Department keep all correspondence associated with expiring contracts to support its efforts in attempting to have an executed contract processed before it expires.*
- B. Delivery of commissary items to inmates in their Units is done by commissary vendor staff. We understand when the vendor's commissary truck arrives; the truck is examined in the security area. The officer opens the back of the truck and looks in the bins and if in good order, opens the gate to the rear control area and the bins are brought in. It is unclear, however, if the officer does a cursory review of what is brought in or looks through all the individual commissary delivery bags.

Recommendation

2. *For precautionary measures, we recommend individual commissary delivery bags are examined prior to the inmates receiving them.*
- C. Per the Department of Correction Commissary Operations Directive, IV. Guidelines, H. it states, "Audits by county or state auditors shall be requested at least bi-annually."

We understand from Correction Staff the New York State Commission of Correction does not do a departmental or financial audit, but a standards review. The review is done occasionally and the state will pick the standard (s) they plan to test. The Onondaga County Department of Correction Standard Compliance Officer accompanies the New York State Commission of Correction Representative when on site and will notify the Accountant II if there is an issue she should be aware of. From the Accountant II, we received a copy of the 2007 Minimum Standards Evaluation performed in June 2007 by the New York State Commission of Correction. Various standards were reviewed including the Commissary, and the state found the facility to be in compliance or exceeded compliance with all the standards reviewed.

Recommendation

3. *We recommend a revision is made for county audits to comply with current practice, such as "on an as needed basis."*

We understand the New York State Commission of Correction informed the Onondaga County Department of Correction Standard Compliance Officer the directive needs to be changed to a periodic basis for their evaluations. The Department will consider these revisions.

Inmate Trust Funds

- D. Upon admission to the facility, the Booking Officer in the Admissions receives cash and negotiable instruments from the inmate and places them in the booking division safe. For inmate funds received in a package, the Front Lobby Officer places them in a locked deposit box inside the locked cabinet in the Front Lobby Office Mailroom. As for inmate funds received in the mail, the Rear Control Officer places them inside the locked cabinet in the Front Lobby Office Mailroom.

We noted when the Accounting Staff retrieves cash and checks from the Admission Office and Mailroom to verify and prepare the daily bank deposit, the cash is not counted in the presence of an officer. This practice has the potential of placing employees in a difficult situation if cash does not balance to the detail. A sign off is also lacking to document this step has taken place.

Recommendation

4. *We recommend Correction Administration implement controls to ensure cash is counted in the presence of an individual from the respective areas (Booking, Front Lobby and Rear Control) where the funds were first received and this step documented with a sign off when cash is exchanged between two people.*

- E. We noted blank Inmate Trust Fund Check Stock is kept in an unlocked drawer in the Account Clerk/Typist II office.

Recommendation

5. *We recommend the check stock be locked up for safekeeping until needed.*

We understand the Account Clerk/Typist II is now keeping the check stock in a locked storage file cabinet in his office.

- F. We understand every 6 months Accounting Staff will review checks that are stale dated. They will void the checks, complete a cash report and check made payable to the Onondaga County Chief Fiscal Officer. The cash report and check are forwarded to the Finance Department and the money is put into trust.

We noted from a review of the Inmate Trust Fund bank reconciliation for May 31, 2017, 360 outstanding checks ranging from July 1, 2016 through December 1, 2016 for a total of \$1,233.56 are still being carried forward as reconciling items. Due to the age, these checks are considered stale dated and no longer cashable. Checks are printed with the statement, "VOID AFTER 180 DAYS."

Recommendation

6. *We recommend procedures are followed to review and adjust the outstanding Check List per established internal controls.*

- G. We noted upon discharge, an inmate's remaining funds along with the value of any unused phone time purchased by the inmate is distributed to the inmate in a check, regardless of the amount (i.e. \$.01 and up).

We suggest Department Administration consider using the same system as the Sheriff's Office to issue funds due to inmates upon their release or transfer. Currently, Sheriff's is using the NUMI Financial Debit Release MasterCard for inmate remaining funds.

We have provided the Accountant II with the NUMI Financial Inmate Debit Release Card Facility Training material obtained from Sheriff's Personnel who indicated a willingness to answer Correction questions.

Recommendation

7. *We recommend Correction Administration consider using the debit cards in lieu of checks to facilitate the process.*

We discussed this with the Accountant II and she stated she has contacted the Account Clerk-II-Sheriff's Office about the debit cards and has received NUMI information from her to consider this option.

- H. Visitors can deposit funds for the inmates into the front lobby kiosk. The funds are posted immediately to the inmates' accounts in the Cobra Banker Inmate Banking System provided by the commissary vendor via contract with the County. The commissary vendor collects the money from the kiosk and deposits the funds in the bank.

We noted the deposits made by the commissary vendor for funds retrieved by them from the front lobby kiosk are not clearly identified on the bank statement. We understand Accounting Staff do not receive reports from the commissary vendor for deposited funds.

According to the response by the commissary vendor to RFP # 13-1500-002 (for both Correction and Sheriff's), they agreed a full accounting of all monies received through the kiosk will be immediately available to facility accounting staff.

We informed the Accountant II, the Account Clerk II-Sheriff's Office requests from the commissary vendor's system a Remote Deposits Report which shows the deposits made for money retrieved from the kiosk in the lobby of the Justice Center.

Recommendation

8. *We recommended the Accountant II request the Remote Deposits Report from the commissary vendor to track the front lobby kiosk deposits and to verify them to the bank. She has agreed to look into acquiring this report.*

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert E. Antonacci II', with a stylized flourish at the end.

Robert E. Antonacci II, CPA

cc: Onondaga County Legislature

Joanne M. Mahoney, County Executive

Ann D. Rooney, Deputy County Executive- Human Services



JOANNE M. MAHONEY
County Executive


ONONDAGA COUNTY
DEPARTMENT OF CORRECTION

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WILLIAM J. HANNA III
Commissioner


Response by Commissioner William J. Hanna III of the October, 2017 County Comptroller's
Audit of the Inmate Trust Fund and Commissary Accounts

- A. 1. We will retain all correspondence documenting contract renewals.
- B. 2. The physical review of commissary bags is outside the purview of this audit. We will continue to operate within the guidelines of the NYS Commission regarding the security of the facility.
- C. 3.a. We will request periodic audits by the County Comptrollers be made regarding the inmate trust fund and commissary accounts bi-annually beginning in February, 2019.
3. b. We are revising our Commissary Directive to better reflect the periodic timeliness of audits made by the NYS Commission.
- D. 4. Staff are signing a "Cash Transaction Sheets" which lists funds entered into the Cobra System whenever funds are transported from one area to another, verifying the total amount of funds transferred/received/entered into Cobra by staff members.
- E. 5. Check stock is now stored in a locked cabinet in the accounting office.
- F. 6. We will adhere to the procedures outlined in our policy and have the stale dated checks reclaimed on a semi-annual basis (on or about May 15th and on or about November 15th of each year.)
- G. We will review the option of using debit cards in lieu of checks.
- H. The Accountant II has been in contact with the Commissary Vendor about acquiring the Remote Deposit Reports.