

Beaver County  
and  
Fiscal Report  
2003

**Richard W. Towcimak**  
**Beaver County Controller**

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February 22, 2005

Mr. William Schoupe, Warden  
Beaver County Jail  
6000 Woodlawn Boulevard  
Aliquippa, PA 15001

Dear Mr. Schoupe:

We have audited the financial records of the Beaver County Jail Commissary and Work Release Programs for the period January 1, 2003 through December 31, 2004. Based upon this audit we have issued our report thereon dated February 22, 2005.

We conducted our audit in accordance with generally accepted governmental auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Based upon our review of the financial records, we have made the following findings and recommendation as detailed in this report.

A handwritten signature in black ink, appearing to read "Richard W. Towcimak", is written over a light-colored background.

Richard W. Towcimak  
Beaver County Controller

**AUDIT SCOPE:**

The scope of this audit encompasses the period from January 1, 2003 to December 31, 2004.

**AUDIT OBJECTIVES:**

Through the completion of internal control questionnaires, control tests, substantive tests, and observation, the following audit objectives were accomplished for this audit:

- Evaluate the operation of the canteen fund, inmate fund, and work release fund
- Prepare financial statements for the years of reviewed
- Evaluate controls over the checking accounts
- Ensure that funds are secured and deposited timely
- Ensure that funds received are disbursed to the proper payees
- Ensure that funds held in escrow are adequate
- Ensure that funds receipted are applied properly
- Ensure that void receipts are voided for a valid reason
- Ensure that proper documentation is maintained in the files
- Evaluate the controls over cash
- Evaluate the controls over expenditures and the administration of the budget
- Evaluate controls over general office procedures

**THE BEAVER COUNTY JAIL - CANTEEN FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2003**

<b>Beginning balance (1/1/03)</b>		\$ 31,392.17
<b>Receipts:</b>		
Sales	\$ 217,478.21	
Telephone commissions	210,739.54	
Certificates of Deposit Matured	114,192.75	
Write-off of Inmate checks (less than \$1, wrong address)	5,318.25	
Misc. Reimbursements / Refunds	932.00	
Interest	569.29	
<b>Total Receipts</b>	<b>549,230.04</b>	<b>549,230.04</b>
<b>Disbursements:</b>		
Oasis Management	\$ 151,834.31	
Bob Barker Company	87,765.17	
Lance, Inc.	40,077.18	
Beaver County Jail Inmate Fund (Payroll)	35,604.00	
West Publishing Group	24,588.50	
Christians United in Beaver County	20,999.81	
Thomson West	9,839.23	
Beaver County Jail Inmate Fund (Indigent Inmates)	6,100.07	
Beaver County Jail Inmate Fund (2002 Audit adjustment)	5,725.76	
Justice Packaging	5,653.36	
Ecolab	5,356.00	
Garcia Marketing, Inc.	4,954.99	
Interstate Communications	4,785.00	
Barber	4,557.00	
McKee Foods Corp.	4,397.81	
Herr Foods	4,117.74	
ATD-American Co.	3,181.54	
K-Mart	3,015.92	
Beaver County Jail Inmate Fund (Inmate fund bank fees)	2,443.20	
Beaver County Times	1,900.20	
Tri County Copy Products	1,785.00	
Dish Network	1,715.51	
Browns Business Equipment, Inc.	1,575.93	
Gordan's Graphics	1,555.25	
ASCC, Inc.	1,489.58	
Postage	1,480.00	
Pitney Bowes	1,428.00	
Bauman Office Equipment	1,340.18	
Purchase Power	1,265.52	
Keystone Concepts	1,145.00	
Redwood Biotech Inc.	950.95	
National Rifle Association	900.00	
Comfort Inn and Suites	779.20	
Beaver County Work Release	629.97	
Crawford Supply Company	629.64	
Tasty Baking Co.	553.50	
Beaver County Commissioners	538.10	
Medco Supply, Inc.	430.80	
Standard Typewriter	425.00	
Rochester TV and Radio	422.25	
Simplex Grinnell	414.00	
GED testing	393.75	
Medtronic Physio-Control Corporation	350.09	
Bank Fees	266.26	
Employee Expense	240.12	
Community College of Beaver County	240.00	
Staples	231.01	
Pittsburgh Laundry Systems	214.92	
Sears Commercial One	205.80	
Automated Card Systems Inc.	205.00	
Acoustical Ceiling Distributors, Inc.	187.50	
PA Restaurant Association	165.00	
Notary Expenses	135.00	
Sam's Club	120.00	
Benco Dental Supply	69.00	
Sherwin - Williams	63.78	
Justin Hallahan	48.50	
Mental Health Association	30.00	
The Vac Shop, Inc.	18.50	
<b>Total Disbursements</b>	<b>(451,534.40)</b>	<b>(451,534.40)</b>
<b>Ending Balance (12/31/03)</b>		<b>\$ 129,087.81</b>

**THE BEAVER COUNTY JAIL - CANTEEN FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2004**

<b>Beginning balance (1/1/04)</b>		<b>\$ 129,087.81</b>
<b>Receipts:</b>		
Sales	\$ 180,577.47	
Telephone commissions	175,138.36	
Moore Medical Corp.	5,858.67	
Inmate Fund checks written off	3,201.78	
Interest	2,025.96	
Miscellaneous Reimbursements / Refunds	68.01	
<b>Total Receipts</b>	<u>366,870.25</u>	
<b>Disbursements:</b>		
Oasis Management	126,783.89	
Bob Barker Company	38,430.41	
Lance, Inc.	33,825.85	
Thomson West	33,161.13	
Beaver County Jail Inmate Fund (Payroll)	28,306.00	
Christians United in Beaver County	21,000.00	
Beaver County Jail Inmate Fund (Indigent Inmates)	4,978.04	
Justice Packaging	3,535.32	
Barber	3,413.00	
Tri County Copy Products	2,672.00	
Gordan's Graphics	2,229.20	
Beaver County Times	1,936.04	
Tri-State Equipment Co.	1,835.00	
Pitney Bowes	1,750.37	
Garcia Marketing, Inc.	1,502.16	
Postage	1,464.20	
Staples	1,460.89	
Dish Network	1,439.27	
Beaver County Jail Inmate Fund (Inmate fund bank fees)	1,205.90	
Seerhas Business Machines, Inc.	990.50	
Beaver County Commissioners	935.08	
Beaver County Work Release	914.07	
Bauman Office Equipment	809.60	
Sam's Club	694.30	
Pittsburgh Laundry Systems	671.63	
G.E.D. Testing	630.00	
Standard Typewriter and Office Equipment	580.00	
Rochester TV and Radio	572.38	
Purchase Power	519.00	
First Express, Inc.	475.00	
Humane Restraint	403.00	
Crawford Supply Company	382.68	
Hampton Inn	305.28	
Beaver Valley Office Equipment, Inc.	277.00	
Grainger (mail cart)	186.70	
Ecolab	152.40	
Bank Fees	134.92	
Redwood Biotech Inc.	89.12	
G.E. Appliances	75.00	
McKay Shrimp and Crab Gear	51.64	
Intoximeters	50.50	
Notary Expenses	49.00	
Gould Publications	18.95	
<b>Total Disbursements</b>		<u>(320,896.42)</u>
<b>Ending Balance (12/31/04)</b>		<u><b>\$ 175,061.64</b></u>

**THE BEAVER COUNTY JAIL - INMATE ACCOUNT FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2003**

**Beginning balance (1/1/03) \$ (3,310.45)**

**Receipts:**

Inmate Account Deposits	\$	297,295.68	
Inmate Payroll Deposits		35,604.00	
Work Release		24,588.87	
Indigent Credit paid from the Canteen		6,100.07	
2002 Audit Adjustment		5,725.76	
Void Checks (undeliverable - < \$1)		5,201.76	
Reimbursement for Bank Fees (from Commissary)		<u>2,443.20</u>	
 Total Receipts			 376,929.34

**Disbursements:**

Commissary Payments	\$	200,993.39	
Inmate Discharges		118,496.59	
Inmate requests:			
Attorneys and Individuals	\$	18,207.73	
Court System		13,219.78	
Work Release		2,209.41	
Bond		340.00	
Misc (birth certificates-certified mail-etc.)		<u>270.65</u>	
			34,247.57
Inmate Medical Fees		5,607.00	
Bank fees		<u>1,643.00</u>	
 Total Disbursements			 (360,987.55)

**Ending Balance (12/31/03) \$ 12,631.34**

**THE BEAVER COUNTY JAIL - INMATE ACCOUNT FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2004**

**Beginning balance (1/1/04) \$ 12,631.34**

**Receipts:**

Inmate Account Deposits	\$ 265,082.77	
Inmate Payroll Deposits	28,306.00	
Work Release	17,767.77	
Indigent Credit paid from the Canteen	4,422.65	
Void Checks (undeliverable - < \$1)	3,095.52	
Reimbursement for Bank Fees (from Commissary)	<u>1,205.90</u>	
<b>Total Receipts</b>		<b>319,880.61</b>

**Disbursements:**

Commissary Payments	\$ 181,807.21	
Inmate Discharges	99,829.56	
Inmate requests:		
Court System	\$ 14,330.76	
Work Release	9,016.97	
Attorneys and Individuals	7,070.27	
Bond	342.00	
Misc (birth certificates-certified mail-etc.)	<u>20.14</u>	
		30,780.14
Inmate Medical Fees		3,323.00
Bank fees		<u>1,644.39</u>
<b>Total Disbursements</b>		<b><u>(317,384.30)</u></b>

**Ending Balance (12/31/04) \$ 15,127.65**

**THE BEAVER COUNTY JAIL - WORK RELEASE FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2003**

Beginning Balance		\$ 12,066.46
Inmate Payroll Receipts:		455,845.67
Disbursements:		
Returned to Inmates	\$ 205,926.60	
Room and Board	201,620.69	
Commissary	24,385.24	
Court Costs	22,169.24	
Magistrates	3,175.34	
Court Ordered Support	2,060.17	
Medical Tests	429.85	
Miscellaneous	655.08	
total disbursements		(460,422.21)
Adjustments:		
Miscellaneous		1.09
Unreimbursed bank fees		<u>(272.78)</u>
Ending Balance		<u><u>\$ 7,218.23</u></u>

**THE BEAVER COUNTY JAIL - WORK RELEASE FUND  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2004**

Beginning Balance		\$ 7,218.23
Inmate Payroll Receipts:		311,541.60
Disbursements:		
Room and Board	\$ 147,864.27	
Returned to Inmates	129,408.81	
Commissary	17,767.77	
Court Costs	12,186.12	
Court Ordered Support	2,483.44	
Magistrates	1,224.59	
Medical Tests	481.60	
Miscellaneous	125.00	
total disbursements		(311,541.60)
Adjustments:		
Reimbursed bank fees from 2003		51.68
Miscellaneous		36.52
Unreimbursed return items		<u>(732.99)</u>
Ending Balance		<u>\$ 6,573.44</u>

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February 22, 2005

Mr. William Schoupe, Warden  
Beaver County Jail  
6000 Woodlawn Boulevard  
Aliquippa, PA 15001

Report on Internal Control Structure

We have audited the accompanying statement of account of the Beaver County Jail Commissary and Work Release Programs for the period January 1, 2003 to December 31, 2004, and have issued our report thereon dated February 22, 2005.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the Beaver County Jail Commissary and Work Release programs for the period January 1, 2003 to December 31, 2004, we considered the office's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and the office's compliance with applicable regulations and not to provide assurance on the internal control structure.

*"Divided By Its Rivers, United By Its People"*

The management of the Beaver County Jail is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with prescribed policies. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, future reliance on any evaluation of the structure, past or current, is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the internal control structure we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation. Additionally, we assessed control risk for the internal control structure except for matters of compliance. Compliance with applicable laws and regulations was considered when assessing control risk for the internal control structure.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the county office's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce, to a relatively low level, the risk that material errors or irregularities affecting the financial statements being audited may occur and not be timely detected by employees in the normal course of performing their assigned functions.

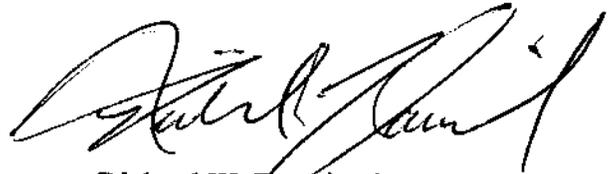
Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses as defined above. We noted the following reportable conditions:

- A need to update policies and procedures
- Canteen funds were used for prison general operating expenses
- Inaccurate Inmate Fund Financial Reporting
- Inmate Fund escrow liability was not being reconciled to available funds
- Improvement was needed in the administration and controls over Inmate damages
- Medical service fees were not all transmitted to Beaver County
- Improvement was needed in controls over the Inmate Worker Payroll

- Improvement was needed in Inmate Fund receipting procedures
- Total Work Release fund balance was not being reconciled to available funds
- Improvement was needed in the control over the reimbursement of bank fees
- Improvement was needed in the controls over outstanding checks

For further elaboration on these weaknesses, refer to the "Findings and Recommendations" section of this audit report.

This report is intended solely for the information and use of the Office of the Controller, management, and others within the administration. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Richard W. Towcimak  
Beaver County Controller

## FINDINGS AND RECOMMENDATIONS

### **Finding 1: No Local Policies and Procedures**

Pennsylvania Code Title 37, Chapter 95, County Correctional Institutions, is designed to encourage county prisons to develop and utilize local policies and procedures that are in keeping with existing State Law and recognize professional standards for all sections addressed in the chapter. Written local policies and procedures for the Commissary, Inmate fund and Work Release Programs at the Beaver County Jail were incomplete and not up to date. This condition was cited in the prior audit performed by the Beaver County Controller's Office, but was not corrected as of our most recent audit.

#### **Recommendations:**

Written local policies and procedures should be developed for the administration of the Work Release program, Commissary, and Inmate fund. The Commissary policies should establish the county's intention to offer a commissary to the inmates and detail the procedures for its operation. The Work Release policies should include all the elements as required by the Pennsylvania Code Title 37 Section 451.124.

### **Finding 2: Canteen funds were used for prison general operating expenses**

On February 18, 2000 changes were made to the PA Code to "reduce the number of technical, burdensome, and mandatory requirements"<sup>1</sup>. The section relating to commissaries now states:

#### **"§ 95.239. Commissary.**

The following are the minimum requirements that apply to commissaries:

- (1) County prisons may provide commissary services if the county so chooses.
- (2) Funds associated with commissary services shall be audited and reported on an annual basis by an independent party using generally accepted accounting principles."<sup>2</sup>

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<sup>1</sup> 37 PA Code Chapter 95 serial page (222409)

<sup>2</sup> 37 PA Code Chapter 95 § 95.239. Commissary.

With the prior legal requirement eliminated which necessitated that profits be spent solely for the benefit and welfare of the prisoners, the commissary funds were no longer restricted as to their use. No written policies or procedures were present to govern the administration of these funds.

In addition to paying for Jail commissary expenses, the Canteen Fund was used to pay for Inmate payroll, food, miscellaneous equipment, inmate supplies, maintenance, and for other inmate activities and entertainment. (i.e. newspapers, basketballs, law library updates, satellite T.V. connection, T.V.s). Prison Board approval was not required for these payments to be made. There was no accounting for the expenditures processed through the Canteen Account to designate which expenditures related to the operation and administration of the commissary, and which were for general prison expenditures or for inmate activities. There was no determination made as to the profitability of commissary operations. Also, county established controls for purchasing, invoice payment and fixed asset control were averted by the use of this fund for general prison expenditures. During the two year period 2003-2004 it is estimated that non-commissary expenditures processed through this account were in excess of \$200,000.

No clear separation and designation of expenditures allowed to be processed through the Canteen Account was established. Because items purchased through the county system were also being purchased through the Canteen Account, there was a potential for duplication of payments. This condition was cited in the prior audit performed by the Beaver County Controller's Office, but was not corrected as of our most recent audit.

**Recommendation:**

Written policies and procedures should be developed to specify the administrative requirements for the handling of the Canteen Account receipts. To help offset some of the costs of operating the prison facility and its programs we recommend that all excess funds be transmitted to the County's general fund.

Policies should be established to specify all expenditures allowable for processing through the Canteen Account. These should be separate and distinct from the expenditures processed through the county system.

If only commissary expenses and approved inmate programs were paid through the Canteen Account and, all general operating expenditures were paid through the Courthouse system, the county records would more accurately reflect the cost of running the jail. Also purchasing policy, invoice payment procedures, and fixed assets controls would not be

averted through the use of the Canteen Account for operating expenditures.

Any expenditure paid through the Canteen Account and not directly associated with the administration of the Prison Commissary should be accounted for separately and the commissary profitability should be determined and evaluated.

**Finding 3: Inaccurate Inmate Fund Financial Reporting**

Postings to the Inmate Accounts on the computer system were not being verified to the summary reports available through the computer system. Because this cross check was not a part of the data entry procedure, errors occurred that went undetected.

**The Beaver County Jail Inmate Fund  
Statement of Revenues and Expenses  
For The Year Ending December 31, 2003**

	per computer:	per check register:	difference
<b>Beginning balance (1/1/03)</b>	<b>\$ (3,310.45)</b>	<b>\$ (3,310.45)</b>	
<b>Receipts:</b>			
Inmate Deposits	296,986.38	297,295.68	(309.30)
Inmate Payroll Deposits	31,692.66	35,604.00	(3,911.34)
Miscellaneous(Work Release)	28,383.28	24,558.87	3,824.41
Indigent Credit upon release	4,390.26	6,100.07	(1,709.81)
Store Credit	<u>9.00</u>	<u>-</u>	9.00
	361,461.58	363,558.62	(2,097.04)
<b>Disbursements:</b>			
Commissary Payments	(186,032.76)	(200,993.39)	14,960.63
Inmate Discharges	(113,611.03)	(118,496.59)	4,885.56
Other	<u>(49,882.31)</u>	<u>(39,854.57)</u>	(10,027.74)
Total Disbursements	(349,526.10)	(359,344.55)	9,818.45
<b>Adjustments:</b>			
2002 Audit Adjustment	5,725.76	5,725.76	-
Void Checks (Undeliverable - <\$1)	5,201.76	5,201.76	-
Bank fees	800.20	800.20	-
Unexplained adjustment	<u>(7,721.41)</u>	<u>-</u>	(7,721.41)
<b>Ending Balance (12/31/03)</b>	<b><u>\$ 12,631.34</u></b>	<b><u>\$ 12,631.34</u></b>	

**The Beaver County Jail Inmate Fund  
Statement of Revenues and Expenses  
For the Year Ending December 31, 2004**

	per computer:	per check register:	difference
<b>Beginning balance (1/1/04)</b>	\$ 12,631.34	\$ 12,631.34	
<b>Receipts:</b>			
Inmate Deposits	259,915.40	265,082.77	(5,167.37)
Inmate Payroll Deposits	28,508.00	28,308.00	202.00
Miscellaneous(Work Release)	24,611.94	17,767.77	6,844.17
Indigent Credit upon release	3,488.08	4,422.65	(934.57)
Store Credit	18.00	-	18.00
	316,541.42	315,579.19	962.23
<b>Disbursements:</b>			
Commissary Payments	(177,022.39)	(181,807.21)	4,784.82
Inmate Discharges	(98,615.99)	(99,829.56)	1,213.57
Other	(45,039.52)	(34,103.14)	(10,936.38)
	(320,677.90)	(315,739.91)	(4,937.99)
<b>Adjustment:</b>			
Unexplained adjustment	3,975.76	-	3,975.76
Void Checks (Undeliverable - <\$1)	3,095.52	3,095.52	-
Bank fees	(438.49)	(438.49)	-
	\$ 15,127.65	\$ 15,127.65	
<b>Ending Balance (12/31/04)</b>	<u>\$ 15,127.65</u>	<u>\$ 15,127.65</u>	

**Recommendation:**

Procedures for data entry of all inmate account postings should include verification of amounts entered to computer summary reports. Any discrepancies should be immediately investigated and resolved.

**Finding 4: Inmate Fund escrow liability was not being reconciled to available funds**

For the Inmate Fund Account, the total escrow liability was not being reconciled to the available checkbook balance. Total Inmate escrow liability on 1/3/05 was \$19,740.48. Funds available in the Inmate Fund Bank Account and on hand on that date totaled \$16,543.83. This amounted to a \$3,196.65 shortage in available funds. Without the verification of the escrow balance to actual cash, posting and clerical errors went undetected in the inmate accounts.

A computer software system had been installed to aid in the processing of the Inmate Accounts and purchases of Oasis Commissary Service orders; however, the data entered onto the computer system was not being verified to determine agreement with the actual funds processed through the bank account. Actual bank deposits were not verified to total amount posted to the computer Inmate Accounts. The total amounts of checks written were not verified to any control totals. Although the check register was reconciled to the bank statement the computer files were not compared to the check register or bank statement. Without this verification the Inmate Records could not be considered accurate.

The Inmate Balance Report was not being reviewed for accuracy. Errors detected during the review of the Inmate Balance Report revealed 46 Inmate Accounts totaling \$2,375.17 incorrectly showing a balance due. 80 Inmate Accounts reported inaccurate negative balances. The staff was unaware that five inmates had been released without receiving their funds for a total of \$201.91 un-disbursed.

**Recommendation:**

The Inmate Fund Balance Report should be reconciled to the check register and actual bank balance monthly, and any discrepancies should be immediately investigated and resolved.

The Computer system has numerous report options available which should be utilized for the verification of deposits and withdrawals. Summary reports are available to produce totals which were being tracked manually (i.e. medical fees, inmate payroll, indigent credit etc.). Control totals should be utilized for posting accuracy verification.

**Finding 5: Improvement was needed in the administration and controls over Inmate damages**

No procedures were in place for the handling of funds charged for inmate damages. Audit review of the 2004 damage report file revealed 55 damage reports totaling \$5,440.14 of which \$2,067.04 had been collected as of December 31, 2004. Damages were assessed for inmate clothing, supplies and jail property which had been purchased through the Beaver County General Fund; however the recovered funds remained in the Inmate Bank Account and were not transmitted to Beaver County.

Handling of damages was inconsistent and inaccurate. In six instances a total \$834.00 was obtained from the Canteen Account to cover the cost of damages.

These funds were then deposited into the Inmate's Account upon the Inmate's release. Two instances were noted where a total of \$425.00 was posted as damages without a damage report in the file. For two damage reports the amount posted was less than the amount authorized for a total \$396.74 under posted. In two instances credits totaling \$125.00 were posted to eliminate damage charges although no documentation was found authorizing the credits. In two instances \$808.00 was collected from the Canteen to cover damages but was not posted to the Inmate's account.

**Recommendation:**

Procedures for the handling and control of Inmate damage charges should be developed. All funds collected from Inmates for damages should be transmitted to the Beaver County General Fund. Data entry of inmate damages should include verification of amounts entered to authorized damage reports and computer summary total reports. Any discrepancies should be immediately investigated and resolved.

**Finding 6: Medical service fees were not transmitted to Beaver County**

Charges totaling \$663.00 were not remitted to Beaver County for medical services provided to inmates in June 2003. These medical fees were mistakenly deposited into the Canteen Fund Bank account from the Inmate Fund Account in July 2003, however, the error was not detected until December 2004 upon audit review.

Charges totaling \$169 were not remitted to Beaver County for medical services provided to inmates on October 28, 2003. Charges totaling \$89 were not remitted to Beaver County for medical services provided to inmates on March 30, 2004.

**Recommendation:**

The Jail personnel should review the General Ledger Detail provided by the Controller's Office to verify the accuracy of all postings. Also, for the Inmate Account computer summary reports should be used to verify all data entry.

**Finding 7: Improvement was needed in controls over the Inmate Worker Payroll**

Posting to the inmate accounts was not being verified to the amount of payroll dollars deposited into the Inmate Fund Bank Account from the Canteen Fund

Account. Errors occurred and went undetected because computer summaries were not reconciled to the manual summary sheets and the actual amount paid.

For 2003:	Amount Paid	Amount Posted to Inmates Accounts	diff
jan	2,642.00	2,642.00	-
feb	2,258.00	2,258.00	-
mar	2,136.00	2,085.00	51.00
apr	2,262.00	2,312.00	(50.00)
may	2,406.00	2,397.66	8.34
jun	2,532.00	2,502.00	30.00
jul	3,410.00	3,552.00	(142.00)
aug	2,774.00	2,891.00	(117.00)
sep	3,726.00	3,728.00	(2.00)
oct	2,054.00	1,968.00	86.00
nov	2,656.00	2,729.00	(73.00)
dec	2,492.00	2,648.00	(156.00)
	31,348.00	31,712.66	(364.66)

For 2004:	Amount Paid	Amount Posted to Inmates Accounts	diff
jan	2,120.00	2,104.00	16.00
feb	1,564.00	2,134.00	(570.00)
mar	2,610.00	2,110.00	500.00
apr	2,070.00	2,862.00	(792.00)
may	2,142.00	2,276.00	(134.00)
jun	2,810.00	2,292.00	518.00
jul	2,336.00	2,926.00	(590.00)
aug	2,826.00	2,258.00	568.00
sep	2,238.00	2,822.00	(584.00)
oct	2,304.00	2,298.00	6.00
nov	2,794.00	2,226.00	568.00
dec	2,200.00	2,200.00	-
	28,014.00	28,508.00	(494.00)

Detail payroll time sheets were reviewed for the months of February and October 2003. For February 2003 the manual summary sheets totaled \$2,190, the computer summary and amount paid totaled \$2,258. Audit review of the time sheets indicated a \$2,230 monthly payroll. For October 2003 the manual summary sheets and the amount paid totaled \$2054, however the computer summary totaled

\$1,968 and the audit review of timesheets indicated a \$1,972 payroll total. The audit noted errors for these two months including the omission of an entire weeks pay from the manual summary sheets for two inmates; nine inmates received unearned credit for days not worked; and addition errors.

**Recommendation:**

Procedures for data entry of inmate payroll should include verification of amounts entered to computer summary reports. Any discrepancies should be immediately investigated and resolved.

**Finding 8: Improvement was needed in Inmate Fund receipting procedures**

Data entry for Inmate Account receipts was not being verified to computer summary reports. Although the computer system could provide a receipt, manual receipt forms were being written for the Inmate Fund.

**Recommendation:**

To eliminate an additional processing step and the potential for manual errors it is recommended that receipts for the Inmate Fund be printed from the computer. Also, to assure accurate data entry, total amount receipted should be verified to the computer summary reports and actual funds.

**Finding 9: Total Work Release fund balance was not being reconciled to available funds**

For Work Release, the total fund balance was not being reconciled to the available checkbook balance. Without the verification of the fund balance to actual cash, posting and clerical errors went undetected in the inmate accounts. Total fund balance on 12/31/04 was \$7,489.92. Funds available in the Work Release Bank Account on that date totaled \$6,573.44

Check Book Balance 12/31/2004	\$6,573.44
Uncollected Return Deposits	732.99
Un-reimbursed Bank Fees	221.10
January 2004 \$20.00 posted not deposited	20.00
Check #2090 posted \$93.20 cleared \$98.20	5.00
Check #1804 posted \$158.30 written for \$158.50	0.20
November 2004 posted \$299.06 deposited \$299.00	0.06
Check #2633 posted \$35.69 written for \$35.70	0.01
August 2004 posted \$192.06 deposited 192.05	0.01
September 2003 deposit addition error	(0.60)
Check #1085 posted \$32.90 cleared \$32.09	(0.81)
Check #1082 posted 161.00 written for \$160.12	(0.88)
July 2003 posted \$74.56 deposited \$75.56	(1.00)
March 2003 posted \$400.56 deposited \$404.56	(4.00)
November 2004 \$5.60 deposit not posted	(5.60)
January 2004 \$50.00 Room and Board posted not deposited	<u>(50.00)</u>
 Fund Balance December 31, 2004	 <u>\$7,489.92</u>

**Recommendation:**

Without the verification of the fund balance to actual cash, errors in the distribution of funds can go undetected. The Work Release funds received in any month should be disbursed in that month to maintain a constant fund balance. To simplify the reconciliation procedure it is recommended that the Fund Balance be reduced to \$5,000.00. The fund account balance should be reconciled to the check register and actual bank balance monthly, and any discrepancies should be immediately investigated and resolved.

**Finding 10: Improvement was needed in the control over the reimbursement of bank fees**

Bank fees totaling \$500.39 charged to the Inmate Fund Account were not reimbursed.

November 2003	61.30
November 2004	125.50
Check Charge February 2004	113.75
Check Charge August 2004	<u>199.84</u>
	<u>500.39</u>

Bank charges totaling \$221.10 incurred in 2003 for the Work Release Account were not reimbursed.

**Recommendation:**

It is recommended that all service fees for the Inmate Account and Work Release Account be reimbursed from the Canteen Account. Reconciliation of the accounting records to the check register balances would have highlighted these reimbursement omissions.

**Finding 11: Improvement was needed in the controls over outstanding checks**

**Canteen and Inmate Fund Accounts:**

The Canteen Fund outstanding check listing at 2004 year end contained check number 3141 issued on March 20, 2004 in the amount of \$2,130.98. Audit review revealed that this check had not been voided when it was reissued on August 12, 2004 at the vendor's request. Also listed as outstanding was check number 3323 issued on December 3, 2004 in the amount of \$555.39 which was written from the Beaver County Jail Canteen Fund to the Beaver County Jail Inmate Fund, and check number 27368 issued on December 3, 2004 for \$9.30 written from the Beaver County Jail Inmate Fund to the Beaver County Jail Canteen Fund. As of February 1, 2005 staff personnel were not aware that these checks were not deposited. The inmate fund outstanding check listing as of December 31, 2004 included 233 stale dated checks totaling \$2,372.49 dating back as far as June 3, 2003.

**Recommendation:**

We recommend more care be taken in the maintenance of the outstanding check listing for the Beaver County Canteen Fund and Beaver County Inmate Fund. Also for the Inmate Fund Account, the amount of all checks written to Inmates and not cashed within a 60 day period should be voided with the funds remitted to the Canteen Fund as per Jail procedure.

**Work Release Account:**

There was no policy or procedure for the handling of long outstanding checks for the Work Release Program. The following checks remained outstanding for longer than six months at the time of audit review:

<u>Check #</u>	<u>Check Date</u>	<u>Amount</u>
1004	2/11/2003	46.56
1133	3/17/2003	18.56
1816	8/26/2003	3.63
2447	1/27/2004	6.40
2577	3/17/2004	<u>2.00</u>
		<u>\$77.15</u>

**Recommendation:**

It is recommended that policies and procedures be developed for the monitoring and control of outstanding checks.

An exit conference was held on February 22, 2005 for the purpose of discussing the items presented in this report. Those in attendance were:

The Beaver County Jail

William Schoupe - Warden

Beaver County Controller's Office

Cheryl Spagnola - Auditor

The results of the audit were discussed in there entirety during this conference.

The Warden is requested to respond with the corrective action planned or taken for the findings. If no corrective action is planned please state this. Please return these responses to the Office of the Controller within thirty days of receipt. The responses will be incorporated and become a part of this report. As part of the Office of the Controller's normal reporting procedure, a copy of this report along with your responses will be distributed to the Beaver County Board of Commissioners and will be posted in the Controller's section of the Beaver County website.

WILLIAM J. SCHOUPPE  
WARDEN

GEORGE J. DAVID  
CHIEF OF SECURITY

CAROL A. STEELE  
DIRECTOR OF TREATMENT



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TO: Rick Towcimak, Beaver County Controller

SUBJECT: Jail Account Audit

DATE: 03-30-05

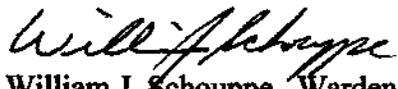
Dear Mr. Towcimak,

I would like to thank you and your staff for the recent audit conducted at the jail. We have begun the process of making changes and updating the requests made by the auditor. We have always come away a better operation after these audits and that speaks volumes for your staff and the job they do. Cheryl Spagnola is great to work with and devotes a lot of time and energy to us when she is here. She offers constructive criticism and help in addressing weaknesses and solving issues to do with our jail accounts.

The Work Release Program is operating very efficiently and that is because of the changes Cheryl helped us initiate several years ago. Deb Anderson (Work Release Coordinator) has been addressing the issue of doing written policy as to how they do the payroll deductions and who does what.

Kathy White just did the first account balancing and reconciliation with the changes Cheryl helped to initiate and it went well. Next step is to put those changes into writing to update the policy to match.

In closing I would like to thank the controller and his staff for their assistance and professionalism in completing the audit. A special thanks is due to Cheryl and the time and effort she put forth. Cheryl is a pleasure to work with.

  
William J. Schoupe, Warden

Cc: C. Spagnola