



**Audit Report on the
Onondaga County Sheriff's Office
Criminal Court Bail & Family Court Bail Accounts
October 19, 2023
By Onondaga County Comptroller Martin D. Masterpole**

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SECTION I

BACKGROUND & EXECUTIVE SUMMARY

Background

In early 2023, the newly elected Sheriff of Onondaga County requested the Comptroller's Office audit the operations of the Sheriff's Office (Sheriff's) as related to the oversight of a multitude of bank accounts under their control. The main objective of the audit would be to explore areas where the Sheriff's Office might need to design and implement improved policies and procedures for the oversight of the accounts.

This audit is the first in a series to be performed on the trust and agency, grant, and cash accounts under the control of the Onondaga County Sheriff's Office. It focuses on two bail-related trust and agency accounts—the **Criminal Court Bail Account** and the **Family Court Bail Account**.

In 2016, the Comptroller's Office (Comptroller) performed a similar review of the Sheriff's trust & agency accounts and various cash accounts. In 2022, a local CPA firm performed a bank account operational review. The findings and recommendations of both of those efforts were similar to those outlined in this report.

The Sheriff's Office is comprised of four departments that are responsible for providing a wide range of services to Onondaga County residents. The departments include:

- Correction Department – Oversees incarcerated individuals and the facilities that house them—the Onondaga County Justice Center and the Jamesville Penitentiary.
- Custody Department – Oversees prisoner custody, security and transportation services.
- Police Department – Provides law enforcement services such as criminal investigations, patrols, internal affairs investigations, tactical operations and several other services.
- Civil Department – Manages all business-oriented operations. Oversees and enforces legal civil processes and the subsequent receiving, reviewing and collection of appropriate fees for these services.

This report focuses on the Bail Office, which is under the direction of the Custody Department, and is responsible for processing both Criminal and Family Court bails. The Bail Office is located in the Onondaga County Justice Center Jail and the Bail Office window can be accessed by the public from the main lobby.

The Bail Office is always open, as bail can be posted at any time of day or night. The Bail Cashier processes the bail. In the Bail Cashier's absence, assigned Custodian Service Officers (CSOs) and Deputies can process it. The person posting bail, referred to as the "bailer", must pay the bail using cash, a credit card, or a certified bank check and is required to present a valid photo ID. When the case is finished, the bailer must bring an Exoneration Letter, signed by the judge, to the Bail Office to retrieve the bail money. Bail is only refunded Monday through Friday from 9 am to 1:30 pm.

All bail operations and transactions take place in the Bail Office at the Justice Center. The reconciliations and end-of-month records retention are completed by the Civil Department, located at the Sheriff's Office.

The **Criminal Court Bail Account** contains funds received as collateral for people charged with a crime who have an upcoming court date in Criminal Court. When a judge establishes the amount of bail for a person accused of a crime (defendant), a bail fee can be paid to the court so that the defendant can remain out of jail until the court date. The defendant or a third party (bailer) can pay the bail fee. The money is kept in the Criminal Court Bail bank account, controlled by the Sheriff's Office. The Criminal Court Bail Account is a segregated deposit interest-bearing account, meaning it holds larger amounts of money for longer periods of time, and the interest accrued goes to the client. Since the account is segregated by client sub-account numbers, the bank can determine the amount of interest each has earned.

The **Family Court Bail Account** contains funds received for people whose cases are in County Family Court, in many instances for a failure to pay child support. These funds are also controlled by the Sheriff's Office and are placed in a separate, but non-segregated, non-interest bearing account.

Executive Summary

During our audit of the Sheriff's Office we found the following:

1. The Civil Division is responsible for the following accounts:
 - a. Criminal Court Bail
 - b. Family Court Bail
2. We noted the following internal control and compliance issues relating to this area of operations:
 - a. Bail deposits are not being made in accordance with written Sheriff's directives.
 - b. There are unsafe cash handling and exchanging practices between employees.
 - c. Bail deposits are being posted incorrectly.
 - d. There is an insufficient safeguarding of assets.
 - e. Improper segregation of duties.

- f. An inadequate bank reconciliation process is being used.
3. Our high level recommendations include the following:
- We recommend individuals responsible for the preparation, processing, and depositing of money are informed of the importance of performing their duties and adhere to the requirements of the Sheriff's Written Directive for SHR-046 Fiscal Management.
 - We recommend cash is recounted in the presence of the individual receiving the cash and sign off procedures are implemented to document and attest to the fact cash has been exchanged between employees.
 - We recommend employees are cross-trained to ensure the appropriate processing of bail funds.
 - We recommend separating duties so that no one person can control enough of any transaction so an error or irregularity could occur and during their normal course of duties they could hide or falsify the transaction and conceal the errors to avoid detection.
 - We recommend all schedules and deadlines are reviewed and adhered to.

SECTION II

SCOPE AND METHODOLOGY

Time Period Covered: January 1, 2023 – July 31, 2023

Scope and Objectives:

The purpose of this report is to provide information and recommendations to the Sheriff's Office Administration related to internal controls, processes, and procedures for the Criminal Court Bail and Family Court Bail Trust & Agency accounts and related areas of operations.

Our objectives were to:

- Review Sheriff's Office policies and procedures related to the above areas.
- Review Sheriff's Office bail processing transactions and related Trust & Agency practices.
- Provide the Sheriff's Office Administration with information and recommendations related to Trust & Agency and bail processes and procedures to improve internal controls, effectiveness, and efficiency.

Methodology:

In order to complete our objectives we:

- Reviewed relevant County and Sheriff's Office required policies and procedures to determine the expectations for Criminal and Family Court Bail practices.
- Interviewed various staff responsible for the above areas to determine specific practices for these areas.
- Summarized current practices for the above areas.
- Tested a sample of transactions and processes relating to these areas.
- Analyzed and compared expected, required, and best practices to current conditions and developed draft recommendations.
- Discussed draft recommendations with Sheriff's Office Management for their input and practicality evaluation.
- Finalized recommendations and included them in this report.

SECTION III FINDINGS & RECOMMENDATIONS

During the course of the audit, we noted:

Criminal Court and Family Court Bail Accounts

Per Sheriff’s directive SHR-046, Fiscal Management, dated 8/19/2021, part F – Cash Bail #2, “All cash bails will be deposited in the appropriate checking account by the end of the next banking day following the day of receipt”.

1. We noted all 13 deposits for these two accounts were held in excess of this directive during our testing period. This is illustrated below:

Criminal & Family Court Bail	
Deposits Held More Than Two	
Business Days	
Business Days Held	Amount
3 to 4	\$5,751
5 to 8	\$307,101
9 to 13	\$5,500
	<u>\$318,352</u>

*Average Days Held = 6

A. **Recommendation:**

We recommend individuals responsible for the preparation, processing, and depositing of money are informed of the importance of performing their duties in a timely fashion and adhere to the requirements of the Sheriff’s Written Directive for SHR-046 Fiscal Management. The same recommendation was given for a similar account in the 2016 audit performed by the Comptroller’s Office.

Per Sheriff’s directive CVL-008, Financial Transactions, dated 7/10/2019, part E – Transfer of Funds between Employees 1.A.1., “The receiving employee shall count the funds received in the presence of the transferring employee, and both employees shall sign”.

2. We noted cash bail is counted by the Bail Cashier and placed in a sealed envelope (not a lockable bank bag) for a Deputy to take the deposit to the bank. However, the Deputy does not actually recount the cash in the presence of the Bail Cashier to verify the amount in the deposit. This practice has the potential of placing two employees in a compromising position if there is a discrepancy with the deposit.

B. Recommendation:

We recommend cash readied for deposit be re-counted in the presence of the individual receiving the cash, and sign off procedures be implemented to document and attest to the fact cash has been exchanged between employees, per the Sheriff's Written Directive CVL-008. The same recommendation was given in the 2016 audit performed by the Comptroller's Office.

C. Recommendation:

We also recommend consideration be given to discontinuing the acceptance of cash for bail, and only credit cards, certified bank checks, or money orders be accepted.

3. We noted 3 instances in which Criminal Bail account funds were deposited into the incorrect bail checking account. These errors occurred when the Bail Cashier was not available and other employees were filling in. Once the Bail Cashier returned, the errors were corrected within a few days.

D. Recommendation:

We recommend the Sheriff's Office review Written Directive SHR-046, Fiscal Management, and ensure all funds are deposited in the appropriate account. We further recommend employees receive cross-training to ensure the Bail Cashier duties are handled appropriately when the Bail Cashier is not available, as recommended in the 2016 audit performed by the Comptroller's Office.

4. We noted there are two safes in the Bail Office, a Gardall depository (desktop) safe and a Mosler (floor) safe. The desktop safe has a slot to deposit the checks and cash into without having to unlock or open it, and is where bail money is stored when it is first collected from the bailer.

When bail money is prepared for deposit by the Bail Cashier, it is removed from the desktop safe and placed in the floor safe in a sealed envelope inside of an unlocked coin bag until the Deputy comes to take the deposit to the bank. The Sheriff's Office blank check stock for the bail accounts, all cash and all checks prepared for deposit with the bank, and the key to the desktop safe are kept in the floor safe. This floor safe is left unlocked during the day while the Bail Cashier is in the office, thus creating a potential risk to the contents of both safes.

E. Recommendation:

We recommend storing the bail money, prepared for deposit by the Bail Cashier, inside a locked coin bag and keeping both the desktop and floor safes locked at all times in between monetary transfers.

5. We noted there are no cameras in the records area or bail office, where large amounts of money are received and stored. Per Finding #1 above, at times there has been more than \$300,000 in the Mosler floor safe, left unattended for numerous days while the Bail Cashier is off on weekends and weeknights.

F. Recommendation:

We recommend the Sheriff's Office consider installing a camera in the bail office as a means to add another layer of security in this area.

6. We noted the same person who receives the bail money also prepares the deposits, writes checks and has access to the blank check stock. This represents an internal control weakness due to a lack of segregation of duties. The general rule should be that no one person can control enough of any transaction so an error or irregularity could occur and during their normal course of duties they could hide or falsify the transaction and conceal the errors to avoid detection. The same finding was noted in a 2016 audit performed by the Comptroller's Office

G. Recommendation:

We recommend the Sheriff's Office devise a system and assign enough staff to these duties so as to segregate the duties appropriately, or implement a "two-touch system" that allows for one person to create/initiate a payment, but it will not be released until it is approved by a separate individual, as recommended by a local CPA firm in 2022.

7. We noted, of the seven Sheriff's Office staff members who are authorized to sign checks, two also have the combination to the Mosler floor safe, which houses the blank check stock. This represents a control weakness. The general rule should be that no one person can control enough of a transaction so an error or irregularity could occur.

H. Recommendation:

We recommend the check stock be stored in a location other than the Bail Office, so as to be inaccessible to any employee authorized to sign checks. We further recommend a sign-off for any checks removed from the check stock.

8. We noted the Administrative Assistant is not being provided with all the needed documentation to ensure deposits and checks are appropriate when compared to the bank statements during the preparation of the reconciliation. Documentation needed includes written check copies, Cash Bail Forms, the Bail Log Book, Exoneration Letters and/or bail release documentation.

I. Recommendation:

We recommend the Sheriff's Office review their current procedures and implement methods to ensure these documents are always included in the reconciliation process.

Per Sheriff's directive, CVL-008 Financial Transactions, Disbursements section 1.I., "Every bank account controlled by the civil office shall be reconciled monthly by the Civil Fiscal Deputy, no later than the 10th day of the month following the monthly period to be reported".

9. We noted 12 of the 14 monthly bank reconciliations were not completed in accordance with the Sheriff's Office Written Directive, CVL-008. A similar finding was made in a local CPA firm's review of Sheriff's accounts in 2022. This is illustrated for both accounts in the chart below:

Criminal & Family Bail Accounts		
Bank Reconciliations Completed After the 10th of the Month		
Month	Date Reconciled	Days Exceeding Deadline
January	February 14, 2023	4
February	March 15, 2023	5
March	April 27, 2023	17
May	June 29, 2023	19
June	July 19, 2023	9
July	August 17, 2023	7

J. Recommendation:

We recommend the Sheriff's Office review their current procedures and implement methods to ensure monthly bank reconciliations are performed in accordance with Sheriff's directive CVL-008.

At the beginning of each month, the Administrative Assistant in the Sheriff's Office prepares what is called the Memorandum Listing of Criminal and Family Bail Outstanding Checks written for the previous month and then submits them to the Finance Department for review and posting of the monthly activity into the PeopleSoft Bank Module. The Finance Department creates a Ledger Module Upload Entry which is submitted to Comptrollers for ultimate posting into the PeopleSoft General Ledger. This process should be completed prior to the deadline dates set forth in the Month End Closing Schedule, which is typically on the 6th, 7th, or 8th of the following month. We noted the following issues due to the Administrative Assistant's untimely submission of financial information to the Finance Department.

- 10.** In 5 of the 7 months tested, the Memorandum Listing of Criminal and Family Bail Outstanding Checks was sent to the Finance Department after the cutoff dates of the Month End Closing Schedule, provided by the Comptroller's Office. We also noted, the Administrative Assistant is printing the General Ledger Summary at the beginning of the month, instead of when the reconciling is being done. The combination of these factors resulted in the PeopleSoft General Ledger balance being inaccurate when the Administrative Assistant reconciled the previous month's bank statements.
- 11.** For the Criminal Bail account, in 2 of the 7 months tested, we noted discrepancies in the PeopleSoft General Ledger, which arose due to the Administrative Assistant in the Sheriff's Office exceeding the cutoff dates of the Month End Closing Schedule. Issued checks had to be entered into the General Ledger under the subsequent month because the General Ledger was closed, causing the General Ledger to remain out of balance for that month. As a result, two of the bank reconciliations were not properly prepared by the Administrative Assistant.

K. Recommendation:

We recommend all financial information be submitted to the Finance Department on the next business day immediately following the month the check is written, allowing for time to meet the deadlines of the General Ledger Month End Closing Schedule provided by the Comptroller's Office.

- 12.** We noted the current reconciliation method fails to balance to the actual cash balance. Only the bank balance is being adjusted to balance to the PeopleSoft General Ledger, which is not up-to-date at the time of reconciling. Both the General Ledger balance and bank balance should be adjusted to find the actual cash balance, as presented in the chart on the right of the next page.

The Sheriff's Office utilizes an Access report labeled "Alpha Listing of All Open Bail Accounts" for Criminal Court and an Excel spreadsheet labeled "Family Court Bails" for Family Court. We consider this to be their book balance because it's kept current on a daily basis; much like a checkbook. These book balance spreadsheets should be used in the reconciliation of the bank balance and the PeopleSoft General Ledger balance.

<u>April 2023 Sheriff's Bank Reconciliation</u>		<u>Proper Bank Reconciliation April 23</u>	
BANK RECONCILIATIONS MONTH Apr-23			
BANK BALANCE	\$ 325,346.10	Bank Balance ¹	\$325,346.10
CHECKS NOT RECORDED	\$ 100.23	Less:	
TOTAL	\$ 325,446.33	Outstanding Checks ²	\$3.00
LESS		Adjusted Bank Balance: ³	<u>\$325,343.10</u>
CHECKS OUTSTANDING	\$ 3.00	PeopleSoft Balance ⁴	\$325,309.73
INTEREST INCOME	\$ 133.60	Less:	
DEPOSITS NOT ON LEDGER		Checks not Recorded ⁵	\$100.23
OUTSTANDING DEPOSIT		Plus:	
TOTAL SUBTRACTIONS	\$ 136.60	Interest Income ⁶	\$133.60
BANK ADJUSTED BALANCE	\$ 325,309.73	Adjusted PeopleSoft Balance: ⁷	<u>\$325,343.10</u>
BOOK BALANCE	\$ 325,309.73	Alpha Listing of All Open Bail	
DIFFERENCE	\$0.00	Accounts Balance: ⁸	<u>\$325,343.10</u>

¹ Bank Balance: This is the cash balance available in the bank account at the end of the month - found on the bank statement.

² Outstanding Checks: These are checks that have been written, but have not been cashed/cleared by the bank. These are deducted from the bank balance.

³ Adjusted Bank Balance: This is the actual cash balance after all adjustments have been made to the bank balance.

⁴ PeopleSoft Balance: This is the end-of-month cash balance recorded in the PeopleSoft General Ledger.

⁵ Checks Not Recorded: These are checks that have been written, but have not been recorded in the PeopleSoft General Ledger. These are deducted from the book balance.

⁶ Interest Income: The amount of interest that has been earned during the month - found on the bank statement. This is added to the General Ledger balance to reflect the bank activity.

⁷ Adjusted Book Balance: This is the actual cash balance after all adjustments have been made to the book balance. The Book Balance should match the Bank Balance after reconciling.

⁸ Alpha Listing of All Open Bail Accounts Balance: This is a report from the Access database that the Sheriff's keep updated on a daily basis to include all open bails and interest earned on each segregated account. The balance on this report is their internal book balance and should be used when reconciling the bank balance and the PeopleSoft General Ledger balance. See Section IV - Exhibit A.

L. Recommendation:

We recommend the Sheriff's Office review and implement appropriate practices for reconciling bank statements. We further recommend the "Alpha Listing of All Open Bail Accounts" report and "Family Court Bails" Excel spreadsheet be used as part of a three-way reconciliation process.

13. We noted the Sheriff's Office does not have a written directive specifically related to the processing of bail funds, related bail account reconciliations, and required supporting documentation.

M. Recommendation:

We recommend the Sheriff's Administration develop a written directive related to bail funds to provide clarity in operations.

SECTION IV EXHIBITS

Exhibit A: 1 of 2

Alpha Listing Of All Open Bail Accounts

<i>Defendant</i>	<i>BANK</i>	<i>origdt</i>	<i>ICN</i>	<i>BAIL</i>	<i>INTEREST</i>	<i>EXPENSED</i>	<i>BALANCE</i>
[REDACTED]				\$500.00	\$0.63	\$0.00	\$500.63
[REDACTED]				\$500.00	\$0.24	\$0.00	\$500.24
[REDACTED]				\$50.00	\$0.06	\$0.00	\$50.06
[REDACTED]				\$100.00	\$0.17	\$0.00	\$100.17
[REDACTED]				\$500.00	\$0.61	\$0.00	\$500.61
[REDACTED]				\$5,000.00	\$42.92	\$0.00	\$5,042.92
[REDACTED]				\$1,000.00	\$1.31	\$0.00	\$1,001.31
[REDACTED]				\$5,000.00	\$2.32	\$0.00	\$5,002.32
[REDACTED]				\$1.00	\$0.00	\$0.00	\$1.00
[REDACTED]				\$1.00	\$0.00	\$0.00	\$1.00
[REDACTED]				\$300,000.00	\$312.24	\$0.00	\$300,312.24
[REDACTED]				\$1.00	\$0.00	\$0.00	\$1.00
[REDACTED]				\$1.00	\$0.00	\$0.00	\$1.00
[REDACTED]				\$1.00	\$0.00	\$0.00	\$1.00
[REDACTED]				\$1.00	\$0.00	\$0.00	\$1.00
[REDACTED]				\$1.00	\$0.00	\$0.00	\$1.00
[REDACTED]				\$5,000.00	\$9.06	\$0.00	\$5,009.06
[REDACTED]				\$50.00	\$0.12	\$0.00	\$50.12
[REDACTED]				\$50.00	\$0.12	\$0.00	\$50.12
[REDACTED]				\$1.00	\$0.00	\$0.00	\$1.00

Monday, May 1, 2023

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Exhibit A: 2 of 2

<i>Defendant</i>	<i>BANK</i>	<i>origdt</i>	<i>ICN</i>	<i>BAIL</i>	<i>INTEREST</i>	<i>EXPENSED</i>	<i>BALANCE</i>
[REDACTED]				\$500.00	\$0.61	\$0.00	\$500.61
[REDACTED]				\$500.00	\$1.01	\$0.00	\$501.01
[REDACTED]				\$1,000.00	\$2.12	\$0.00	\$1,002.12
[REDACTED]				\$100.00	\$0.20	\$0.00	\$100.20
[REDACTED]				\$100.00	\$0.12	\$0.00	\$100.12
[REDACTED]				\$5,000.00	\$11.24	\$0.00	\$5,011.24

Total Banks 26

<i>Grand Total</i>	<i>BAIL</i>	<i>INTEREST</i>	<i>EXPENSED</i>	<i>BALANCE</i>
	\$324,958.00	\$385.10	\$0.00	\$325,343.10

SECTION V MANAGEMENT RESPONSE

Response to Audit Report on the Onondaga County Sheriff's Office Criminal Court Bail & Family Court Bail Accounts

November 5, 2023

By Chief Deputy M.J. Berlinski

First and foremost, I would like to thank the County Comptroller for the time and effort that his staff dedicated to the above listed audit.

Each section will be addressed in the order it was outlined in the report provided.

Executive Summary

1. The Civil Division is responsible for the following accounts:

- a. Criminal Court Bail
- b. Family Court Bail

2. We noted the following internal control and compliance issues relating to this area of operations:

- a. Bail deposits are not being made in accordance with written Sheriff's directives.
- b. There are unsafe cash handling and exchanging practices between employees.
- c. Bail deposits are being posted incorrectly.
- d. There is an insufficient safeguarding of assets.
- e. Improper segregation of duties.
- f. An inadequate bank reconciliation process is being used.

3. Our high level recommendations include the following:

- We recommend individuals responsible for the preparation, processing, and depositing of money are informed of the importance of performing their duties and adhere to the requirements of the Sheriff's Written Directive for SHR-046 Fiscal Management.
- We recommend cash is recounted in the presence of the individual receiving the cash and sign off procedures are implemented to document and attest to the fact cash has been exchanged between employees.
- We recommend employees are cross-trained to ensure the appropriate processing of bail funds.

- We recommend separating duties so that no one person can control enough of any transaction so an error or irregularity could occur and during their normal course of duties they could hide or falsify the transaction and conceal the errors to avoid detection.
- We recommend all schedules and deadlines are reviewed and adhered to.

Response to Executive Summary:

This office recognizes the weakness in the current system being used and will begin implementing changes to minimize the risk involved in the processes. We will also ensure that proper training is provided and that moving forward there will be an adherence to department policy.

***It should be noted that there were no financial losses or nefarious activity detected in any of the processes that were audited. Faults found were limited to failure to adhere to policy, including, but not limited to timeliness.*

Criminal Court and Family Court Bail Accounts

Per Sheriff's directive SHR-046, Fiscal Management, dated 8/19/2021, part F – Cash Bail #2, "All cash bails will be deposited in the appropriate checking account by the end of the next banking day following the day of receipt".

1. We noted all 13 deposits for these two accounts were held in excess of this directive during our testing period.

We recommend individuals responsible for the preparation, processing, and depositing of money are informed of the importance of performing their duties in a timely fashion and adhere to the requirements of the Sheriff's Written Directive for SHR-046 Fiscal Management. The same recommendation was given for a similar account in the 2016 audit performed by the Comptroller's Office.

Response:

1. This is a valid concern and will be addressed with the Booking Supervisor. Procedures and Policies will be reviewed and adhered to as best possible. We do recognized with staffing turnover and staffing issues (short staffed often) this has been overlooked.
2. We noted cash bail is counted by the Bail Cashier and placed in a sealed envelope (not a lockable bank bag) for a Deputy to take the deposit to the bank. However, the Deputy does not actually recount the cash in the presence of the Bail Cashier to verify the amount in the deposit. This practice has the potential of placing two employees in a compromising position if there is a discrepancy with the deposit.

B. Recommendation:

We recommend cash readied for deposit be re-counted in the presence of the individual receiving the cash, and sign off procedures be implemented to document and attest to the fact cash has been exchanged between employees, per the Sheriff's Written Directive CVL-008. The same recommendation was given in the 2016 audit performed by the Comptroller's Office.

Response:

This recommendation will be implemented and presented in a policy that will be presented to the Unit.

C. Recommendation:

We also recommend consideration be given to discontinuing the acceptance of cash for bail, and only credit cards, certified bank checks, or money orders be accepted.

Response:

In accordance with NYS Law it is mandatory that this office accept cash bail.

3. We noted 3 instances in which Criminal Bail account funds were deposited into the incorrect bail checking account. These errors occurred when the Bail Cashier was not available and other employees were filling in. Once the Bail Cashier returned, the errors were corrected within a few days.

D. Recommendation:

We recommend the Sheriff's Office review Written Directive SHR-046, Fiscal Management, and ensure all funds are deposited in the appropriate account. We further recommend employees receive cross-training to ensure the Bail Cashier duties are handled appropriately when the Bail Cashier is not available, as recommended in the 2016 audit performed by the Comptroller's Office.

Response:

It is recognized that more cross training is needed to ensure these errors do not occur in the future.

4. We noted there are two safes in the Bail Office, a Gardall depository (desktop) safe and a Mosler (floor) safe. The desktop safe has a slot to deposit the checks and cash into without having to unlock or open it, and is where bail money is stored when it is first collected from the bailer.

When bail money is prepared for deposit by the Bail Cashier, it is removed from the desktop safe and placed in the floor safe in a sealed envelope inside of an unlocked coin bag until the Deputy comes to take the deposit to the bank. The Sheriff's Office blank check stock for the bail accounts, all cash and all checks prepared for deposit with the bank, and the key to the desktop safe are kept in the floor safe. This floor safe is left unlocked during the day while the Bail Cashier is in the office, thus creating a potential risk to the contents of both safes.

E. Recommendation:

We recommend storing the bail money, prepared for deposit by the Bail Cashier, inside a locked coin bag and keeping both the desktop and floor safes locked at all times in between monetary transfers.

Response:

We will purchase a lock money bag for the deposits. Also we will review the policy regarding the floor safe and the desktop safe.

5. We noted there are no cameras in the records area or bail office, where large amounts of money are received and stored. Per Finding #1 above, at times there has been more than \$300,000 in the

Mosler floor safe, left unattended for numerous days while the Bail Cashier is off on weekends and weeknights.

F. Recommendation:

We recommend the Sheriff's Office consider installing a camera in the bail office as a means to add another layer of security in this area.

Response:

With the implementation of a new security system withing the Justice Center we will look into the feasibility to install cameras within the Bail Office

6. We noted the same person who receives the bail money also prepares the deposits, writes checks and has access to the blank check stock. This represents an internal control weakness due to a lack of segregation of duties. The general rule should be that no one person can control enough of any transaction so an error or irregularity could occur and during their normal course of duties they could hide or falsify the transaction and conceal the errors to avoid detection. The same finding was noted in a 2016 audit performed by the Comptroller's Office

G. Recommendation:

We recommend the Sheriff's Office devise a system and assign enough staff to these duties so as to segregate the duties appropriately, or implement a "two-touch system" that allows for one person to create/initiate a payment, but it will not be released until it is approved by a separate individual, as recommended by a local CPA firm in 2022.

Response:

This policy is already in effect and oversight will ensure that it is followed accordingly.

7. We noted, of the seven Sheriff's Office staff members who are authorized to sign checks, two also have the combination to the Mosler floor safe, which houses the blank check stock. This represents a control weakness. The general rule should be that no one person can control enough of a transaction so an error or irregularity could occur.

H. Recommendation:

We recommend the check stock be stored in a location other than the Bail Office, so as to be inaccessible to any employee authorized to sign checks. We further recommend a sign-off for any checks removed from the check stock.

Response:

The need for this policy to be changed is recognized and steps will be taken to follow the recommendation.

8. We noted the Administrative Assistant is not being provided with all the needed documentation to ensure deposits and checks are appropriate when compared to the bank statements during the

preparation of the reconciliation. Documentation needed includes written check copies, Cash Bail Forms, the Bail Log Book, Exoneration Letters and/or bail release documentation.

I. Recommendation:

We recommend the Sheriff's Office review their current procedures and implement methods to ensure these documents are always included in the reconciliation process.

Response:

The current procedure will be adapted to implement the recommended changes.

Per Sheriff's directive, CVL-008 Financial Transactions, Disbursements section 1.I, "Every bank account controlled by the civil office shall be reconciled monthly by the Civil Fiscal Deputy, no later than the 10th day of the month following the monthly period to be reported".

9. We noted 12 of the 14 monthly bank reconciliations were not completed in accordance with the Sheriff's Office Written Directive, CVL-008. A similar finding was made in a local CPA firm's review of Sheriff's accounts in 2022.

J. Recommendation:

We recommend the Sheriff's Office review their current procedures and implement methods to ensure monthly bank reconciliations are performed in accordance with Sheriff's directive CVL-008.

Response:

It is recognized that reconciliations have not been done consistently on time per Department policy. Going forward every effort will be made to complete the reconciliations according to policy.

At the beginning of each month, the Administrative Assistant in the Sheriff's Office prepares what is called the Memorandum Listing of Criminal and Family Bail Outstanding Checks written for the previous month and then submits them to the Finance Department for review and posting of the monthly activity into the PeopleSoft Bank Module. The Finance Department creates a Ledger Module Upload Entry which is submitted to Comptrollers for ultimate posting into the PeopleSoft General Ledger. This process should be completed prior to the deadline dates set forth in the Month End Closing Schedule, which is typically on the 6th, 7th, or 8th of the following month. We noted the following issues due to the Administrative Assistant's untimely submission of financial information to the Finance Department.

10. In 5 of the 7 months tested, the Memorandum Listing of Criminal and Family Bail Outstanding Checks was sent to the Finance Department after the cutoff dates of the Month End Closing Schedule, provided by the Comptroller's Office. We also noted, the Administrative Assistant is printing the General Ledger Summary at the beginning of the month, instead of when the reconciling is being done. The combination of these factors resulted in the PeopleSoft General Ledger balance being inaccurate when the Administrative Assistant reconciled the previous month's bank statements.

11. For the Criminal Bail account, in 2 of the 7 months tested, we noted discrepancies in the PeopleSoft General Ledger, which arose due to the Administrative Assistant in the Sheriff's Office exceeding the cutoff dates of the Month End Closing Schedule. Issued checks had to be entered into the General Ledger under the subsequent month because the General Ledger was closed, causing the General Ledger to

remain out of balance for that month. As a result, two of the bank reconciliations were not properly prepared by the Administrative Assistant.

K. Recommendation:

We recommend all financial information be submitted to the Finance Department on the next business day immediately following the month the check is written, allowing for time to meet the deadlines of the General Ledger Month End Closing Schedule provided by the Comptroller's Office.

Response:

The above recommendations will be taken into consideration and reviewed by the Administrative Assistant and efforts to adhere to the schedule will be made.

12. We noted the current reconciliation method fails to balance to the actual cash balance. Only the bank balance is being adjusted to balance to the PeopleSoft General Ledger, which is not up-to-date at the time of reconciling. Both the General Ledger balance and bank balance should be adjusted to find the actual cash balance, as presented in the chart on the right of the next page.

The Sheriff's Office utilizes an Access report labeled "Alpha Listing of All Open Bail Accounts" for Criminal Court and an Excel spreadsheet labeled "Family Court Bails" for Family Court. We consider this to be their book balance because it's kept current on a daily basis; much like a checkbook. These book balance spreadsheets should be used in the reconciliation of the bank balance and the PeopleSoft General Ledger balance.

L. Recommendation:

We recommend the Sheriff's Office review and implement appropriate practices for reconciling bank statements. We further recommend the "Alpha Listing of All Open Bail Accounts" report and "Family Court Bails" Excel spreadsheet be used as part of a three-way reconciliation process.

Response:

Recommended reviews will be completed and Excel Spreadsheets will be considered if they prove practical and beneficial.

13. We noted the Sheriff's Office does not have a written directive specifically related to the processing of bail funds, related bail account reconciliations, and required supporting documentation.

M. Recommendation:

We recommend the Sheriff's Administration develop a written directive related to bail funds to provide clarity in operations.

Response:

A new written directive pertaining to Bail Funds will be developed and reviewed by the Administration before it is put into effect. The directive will include best practices to ensure that there is in fact clarity and direction of how the accounts are to be handled.