

Internal Audit Report

Cuyahoga County, Ohio
Department of Internal Auditing

**General Operations Audit
Cuyahoga County Sheriff's Office
January 1, 2011 – August 31, 2013**

Director of Internal Auditing: Cory A. Swaisgood, CPA

**Staff Auditors: Jeremy Hejnal, CIA
Kim Seeley, CPA, CIA**



Audit Report Highlights

Sheriff's Office – General Operations Audit July 2016

Total Recoveries¹ = \$604 Total Cost Savings² = \$25,175

What We Found

We performed audit procedures on the general operations of the Sheriff's Office (Office) for the period January 1, 2011 through August 31, 2013. We found control weaknesses, financial transaction discrepancies, and instances of non-compliance during the audit. The following is a list of the most noteworthy issues we identified:

- We found the Office was not accurately and timely remitting 20% of forfeited monies and proceeds from the sale of forfeited property to the Prosecutor's Office in accordance with court orders. We determined the Office potentially owed the Prosecutor's Office approximately \$72,900 from court cases between 2009 and 2013. Due to inconsistent data maintained by both offices, all parties agreed on a middle number of \$36,450. The Office issued a check to the Prosecutor's Office during the audit.
- Although the Office had a written internal control policy on the law enforcement discretionary funds, certain Ohio Revised Code (ORC) requirements were not included in the policy. The Office is required to have a written internal control policy addressing ORC regulations on law enforcement discretionary funds. The policy reviewed during the audit was outdated and lacked approval from the Sheriff.
- We noted the Sheriff's travel policy was not followed nor was it strictly enforced for purchases (reimbursement or credit card charges) made by law enforcement personnel for extraditions and duty-related travel. Expenses exceeded the per diem amount in some cases, and supporting documentation was not maintained in other cases. The Sheriff's travel policy was not enforced on 10 extraditions or duty-related travel transactions out of 40 tested from 2011 to 2013. \$175 was paid in excess of travel policy limits for food/beverage/tolls.
- During review of buy-and-maintenance monies in the Sheriff's Narcotics Unit, we noted discrepancies and control weaknesses in the way these funds were handled. Buy money was used by the Office to conduct drug buys with confidential informants. Maintenance money was used for extraditions and emergency supplies. The Office used monies from the Law Enforcement Trust Fund (LETf) and Furtherance of Justice³ (FOJ) to fund buy-and-maintenance activity. We found that LETf and FOJ funds were comingled, resulting in erroneous deposits totaling \$4,454 of FOJ money in the LETf bank account. No minimum or maximum cash balances were established for buy-and-maintenance money.

Background

The Office's mission as caretaker of the public's safety is dedicated to maintaining the trust and respect of those served by resolutely and aggressively enforcing the law and committing to the efficient and effective delivery of safety services. As agents of the community, the Sheriff strives to provide appropriate custodial care along with programs that support the physical, spiritual and constitutional needs of individuals committed to their custody. The Sheriff's Office consists of the following departments to support the Office's operations:

- Fiscal
- Civil
- Commissary
- IT
- Corrections
- Employee Relations
- Law Enforcement
- Motor Pool
- Payroll

Why This Audit Was Done

The purpose of this audit was to review the general operations of the Sheriff's Office. We were notified by the Sheriff and the Auditor of State of reconciliation issues in the Civil Division of the Sheriff's Office in 2013. With approval by the Sheriff at the time, we decided to address other risks within the Office and review the Office's operational procedures and financial condition.

¹ The total overpayments identified the County could potentially recover.

² The amount the County could save by implementing recommendations. Cost savings are a result of policy changes that could reduce expenses.

³ LETf and FOJ funds are established by the ORC and can be used for law enforcement activities and expenses incurred by the Sheriff for official duties, respectively.

Audit Report Highlights

Sheriff's Office – General Operations Audit July 2016

What We Recommended

We made the following recommendations to improve the operations of the Sheriff's Office:

- In accordance with court orders, the Office should disburse 20% of forfeited monies and sale proceeds to the Prosecutor's Office more frequently than once a year, e.g. every deposit. In addition, the Office and Prosecutor's Office should improve communication on forfeited monies and agree on and authorize a memo of understanding regarding the split in forfeited monies.
- The Office should revise their written internal control policy to comply with all applicable ORC sections. Once drafted, the policy should be reviewed and approved by the Sheriff and/or the Chief Community Safety and Protection Officer.
- The Office should review and update the Sheriff's current travel policy. The policy should include procedures on how expense reports, credit card charges, receipts, and verification of per diem rates in the travel policy are reconciled by the Fiscal Department. Consequences should be formalized for instances when employees exceed their established per diem rate. The policy should state that an employee will not be reimbursed for any amounts over the per diem limit. If any employee charges over the per diem rate on the Office's credit card, the Office should be reimbursed for the excess amount within a defined period of time (e.g. 30 days) or other corrective actions should be taken.
- The Office should develop a formal written policy and procedure manual on all LETF and FOJ buy-and-maintenance money. Internal controls recommended in the audit report for this finding should be implemented, such as establishing maximum and minimum balances in the buy-and-maintenance accounts. In addition, all monies in the buy-and-maintenance safe should be deposited into the correct bank account (LETF or FOJ) in a timely manner when the logs are closed out. The only money in the safe should consist of the current balance for buy-and-maintenance money.

We made recommendations to the Office focused on resolving weaknesses noted above. We made recommendations for procedural and systematic changes in the Office.

These recommendations were communicated to the Office during the course of the audit. We noticed improvements in the operations of the Office during the audit, as recommendations were accepted and implemented by the Office. Based on their responses we believe corrective action has been or will be taken to mitigate the risks we identified during this audit. The Office has formed an agreement with a company to develop formal written policies for the Office.

Management responses are included at the end of each recommendation in the report. We will perform follow-up procedures within 12 months of the audit release date to confirm the findings were addressed to mitigate risks identified during the audit.



**CUYAHOGA COUNTY
DEPARTMENT OF INTERNAL AUDITING**

**INTERNAL AUDIT REPORT
Cuyahoga County Sheriff's Office
Cover Letter**

July 8, 2016

To: Sheriff Clifford Pinkney
and the current management of the Cuyahoga County Sheriff's Office:

The Department of Internal Auditing (DIA) has conducted an audit over the financial operations and general accounting of the Cuyahoga County Sheriff's Office (referred to within this report as "the Office"¹), for the period of January 1, 2011 through August 31, 2013. The audit objectives were to determine whether: controls in place are adequate to safeguard assets from abuse, errors, and loss; revenue transactions and department funds are properly supported, recorded and deposited in their entirety in a timely manner and in accordance with all governing laws and regulations; and expenditures are properly approved and recorded.

To accomplish our objectives, we focused on operational controls of the Office, the major revenue and expenditure cycles as well as specific compliance mandates. Interviews with management and staff along with general walk-throughs of each revenue and expenditure cycle were conducted in order to document the controls in place. In addition, substantive testing methods utilized included analytical procedures, tests of detail using sampling methods as well as confirmation of bank account balances.

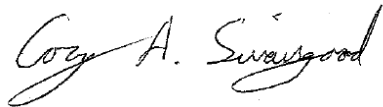
Our audit procedures disclosed internal control weaknesses relating to the Department's revenue and expenditure cycles, asset safeguarding, and recordkeeping. Instances of non-compliance with Federal regulations, Ohio Revised Code requirements, and County policies were also identified. This report provides the details of our findings.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

¹ For clarification, we will reference the Cuyahoga County Sheriff's Office as "Office" within this report, and we will reference the Sheriff's position as "Sheriff" within this report.

The Department of Internal Auditing would like to express our appreciation to the staff of the Office and interrelated departments that assisted throughout the process for their courtesy and cooperation during this audit. A draft report was provided to the Sheriff for comment and their response is included.

Respectfully,

A handwritten signature in black ink that reads "Cory A. Swaisgood". The signature is written in a cursive style with a large initial 'C' and 'S'.

Cory A. Swaisgood, CPA
Director of Internal Auditing

Cc: Audit Committee
Cuyahoga County Council
Sharon S. Jordan, Chief of Staff
Robert Triozzi, Law Director
Frank Bova, Chief Community Safety and Protection Officer

Contents

Glossary	5
Report Details	6
Purpose	6
Audit Objective	6
Scope.....	6
Methodology.....	7
Background	7
Commendable Practices	8
Non-Compliance Findings	9
Social Security Administration	9
County’s Schedule of Expenditures of Federal Awards	10
Prosecutor's Split of Forfeited Monies	11
Use of Proceeds from Sale of Forfeited Property	13
Written Internal Control Policy	14
Furtherance of Justice Bond	17
Inventory Reporting	17
Deposit of Public Monies - Warrants & Records.....	18
Records Retention Schedule	19
Internal Control Findings	21
Policy and Procedure Manual	21
Purchasing Procedures.....	22
Travel and Reimbursement Policy	24
Organizational Chart	27
Job Descriptions	28
Computer Controls.....	29
Directory Access.....	30
Cash and Physical Security	31
Payroll Analysis	33
Payroll FAMIS Reconciliation	37
Bank Reconciliations	38
Reconciling Revenues and Expenditures to FAMIS.....	41
Chargeback Monitoring.....	42
Internal Controls on Federal Programs.....	46
Task Forces and Federal Agreements	48
Contract and MOU Maintenance.....	51
Miscellaneous Revenue	53
Discretionary Funds Expenditure Approval	55
Buy/Maintenance Money	56
Inventory Control	63

Firearm Storage..... 66
Impact Unit Evidence Control 67
Warrants & Records Identification Review..... 67



Glossary

- BEAST** - Barcoded Evidence Analysis Statistical Tracking. An evidence management system utilized by the Unit to track property and evidence within the Property Rooms.
- Systems** - The Sheriff's Computer Information Technology Department
- LETF** - Law Enforcement Trust Fund. This fund must be established under Ohio Revised Code (ORC) Section 2933.43 by each County Sheriff to receive proceeds from the sale of forfeited property and contraband seized during law enforcement activities. Funds may be used for law enforcement activities and in accordance with ORC Section 2981.13.
- DLEF** - Drug Law Enforcement Fund. Auditor of State Bulletins 86-16 and 87-18 address the creation of a DLEF. These funds are from mandatory drug fines imposed pursuant to ORC Section 2925.03. These funds are required to be paid into a fund to subsidize the County's law enforcement efforts that pertain to drug offenses.
- FESA** - Federal Equitable Sharing Agreement. An account utilized by the Sheriff to deposit funds from federal cases, like fines, to use for law enforcement purposes.
- FOJ** - Furtherance of Justice Fund. This is funded from the County's general fund not to exceed one-half of the Sheriff's annual salary at the beginning of the fiscal year as provided by ORC Section 325.071. These funds are used to provide for expenses the Sheriff incurs in the performance of the Sheriff's official duties and in the furtherance of justice.



Report Details

Purpose

The purpose of this audit was to review the operations of the Sheriff's Office (referred to within this report as "the Office"). The Department of Internal Audit (DIA) was notified by the Sheriff and the Auditor of State of reconciliation issues in the Civil Division of the Sheriff's Office in 2013. DIA, with approval by the Sheriff, decided to address other risks within the Office and review the Office's operational procedures and financial condition.

DIA evaluated processes for compliance with existing policies, laws, and professional standards. We performed substantive tests on financial transactions and reconciliations. The audit included review and evaluation of procedures, practices and controls as deemed necessary.

Audit Objective

Our (DIA) main audit objectives include:

- Determine whether controls are in place, and if controls do exist, determine if they are adequate to effectively and efficiently achieve the County's and the Office's goals.
- Assets are safeguarded from abuse, errors, and loss.
- Revenue transactions are properly supported, recorded, and deposited in their entirety in a timely manner and in accordance with all governing laws and regulations.
- Expenditures are properly approved, recorded, and in accordance with all governing laws and regulations.
- Reporting information is timely accomplished, accurate and in accordance with all governing laws and regulations.

Scope

To accomplish our objectives, we focused on the operational controls of the Office, the major revenue and expenditure cycles, as well as specific compliance mandates during the period of January 1, 2011 through August 31, 2013. Interviews with management and staff along with general walk-throughs of each revenue and expenditure cycle were conducted in order to document the controls in place and their operation. In addition, substantive testing methods will include analytical procedures, test of details using sampling methods, as well as confirmation of transactions and/or assets.

Methodology

In order to accomplish the audit objectives DIA performed the following:

- Conducted interviews with management and staff.
- Conducted general walk-throughs of each operational unit within the Office.
- Witnessed and documented procedures and controls in place.
- Observed procedures in place for receipts and expenditures.
- Conducted substantive and controls tests on the revenue and expenditure cycles.
- Conducted compliance tests on local, state, and federal regulations.
- Reviewed and substantively tested bank reconciliations for accuracy.
- Sent third party confirmations to verify bank balances and receivables.

Background

The Office's mission as caretaker of the public's safety is dedicated to maintaining the trust and respect of those served by resolutely and aggressively enforcing the law and committing to the efficient and effective delivery of safety services. As agents of the community, the Sheriff strives to provide appropriate custodial care along with programs that support the physical, spiritual and constitutional needs of individuals committed to their custody. Further, every effort will be made to assist the inmates in their custody to understand and take responsibility for their involvement in the justice system.

The Office consists of the following divisions:

- Fiscal
- Civil
- Commissary
- Computer Information Technology
- Corrections
- Employee Relations
- Law Enforcement
- Motor Pool
- Payroll
- Personnel/Human Resources (Transferred under County Executive as of report date)

Our audit procedures disclosed internal control weaknesses relating to the Office's cash collection process, revenue cycle, furlough program, asset safeguarding, recordkeeping, and reporting. Non-compliance with federal regulations and the Ohio Revised Code as well as Cuyahoga County Policies was also identified. This report provides the details of our findings. The findings are grouped into two categories: noncompliance findings begin on page 9 and internal control findings begin on page 21. If a finding fits into both categories, DIA labeled it as a noncompliance finding. **The most significant findings are: Prosecutor's Split of Forfeited Monies (page 11); Written Internal Control Policy (page 14); Travel and Reimbursement Policy (page 24); Chargeback Monitoring; (page 42); and Buy/Maintenance Money (page 56).**

Commendable Practices

The Office's personnel should be commended for the work performed before, during, and after the audit. DIA noticed improvements in the operations throughout the audit as our recommendations were accepted and implemented quickly by the Office. DIA would like to thank the Sheriff and his administrative staff for their help and cooperation.

While findings discussed in this report may not, individually, or in the aggregate, significantly impair operations of the Office, they do present issues that, if addressed, may result in increased efficiency and/or reduction of risks.

Non-Compliance Findings

Social Security Administration

The Personal Responsibility and Work Opportunity Act of 1996 section 203 provides guidance to local institutions on reporting inmates receiving social security benefits to the Social Security Administration (SSA). This section states, in part:

The institution shall provide to the Commissioner, on a monthly basis and in a manner specified by the Commissioner, the names, social security account numbers, dates of birth, and confinement commencement dates. The Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit as a result of the application of this subparagraph, \$400 within 30 days after the date such individual becomes an inmate of such institution, or \$200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

Systems is responsible for submitting these reports to SSA on a monthly basis. Upon receipt, SSA funds are recorded into the Office's general fund. DIA noted the Office lacks effective controls to assure the funds requested from SSA were accurately recorded in the County's financial system (FAMIS). The report submitted by Systems is not compared to the receipt posted in FAMIS. In March of 2012 the Office received a payment of \$22,186 from SSA. Per Systems support, the payment should have been \$22,400 for 56 inmates.

DIA also noted the SSA funds recorded in the Office's general fund are not appropriated during the year. As a result, all SSA funds received are transferred into the County's general fund at year-end. DIA contacted SSA and was informed there are no restrictions on the use of the incentive funds. The agency of confinement (Sheriff's Office) may use the funds for any reason. During the audit period (1/1/11-8/31/13) the Office received \$856,186.23 in payments from SSA; none of which was appropriated and used by the Office.

The law states the confining institution is to receive the money. There is no restriction placed upon the institution on what they may do with the money once it is received. Without a formal policy on how SSA funds should be budgeted, the Office continues to lose much needed revenue.

Recommendation

DIA recommends the Office appropriate a portion, if not all, of the SSA receipts in the Office's annual budget.

We also recommend that Systems provide a copy of the submitted report to the Office's Fiscal Department on a monthly basis. The Fiscal Department should agree the amount received by SSA with FAMIS.

Management's Response

When these revenues are received they are deposited into index code SH350579 subobject 1015. These funds are not appropriated. The Chief Community Safety and Protection Officer and Sheriff previously had discussions with the Office of Budget & Management (OBM) to get these funds appropriated in the Sheriff's budget, however, that has never come to fruition. OBM's response is as follows; "The Cuyahoga County Sheriff's Department (CCSD) currently has a \$100M general fund budget, which includes the SSA funding source". The Business Services Manager has not seen anything which shows the breakout of the SSA funds as part of the CCSD appropriated budget.

In 2016, the Chief Community Safety and Protection Officer, the Sheriff, and Business Services Manager had several conversations with the OBM regarding this matter. Currently we have no plans to revisit this subject.

County's Schedule of Expenditures of Federal Awards

According to the Federal Office of Management and Budget's (OMB) Circular No. A-133, "The auditee (County) shall prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements. The schedule shall list individual Federal programs by Federal agency." A federal program is defined as:

- All Federal awards to a non-Federal entity assigned a single number in the Catalog of Federal Domestic Assistance (CFDA).
- When no CFDA number is assigned, all Federal awards from the same agency made for the same purpose should be combined and considered one program.
- A cluster program, which means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters as defined by OMB in the compliance supplement or as designated by a State for Federal awards the State provides to its subrecipients that meet the definition of a cluster of programs.

The Office is in charge of monitoring over \$1.5 million of federal grants awarded to the Office on an annual basis. Having effective monitoring and key controls in place is crucial to the Office's daily operations. Without the appropriate controls in place, the Office is at risk of misappropriating funds and/or noncompliance with federal and state laws. Furthermore, the Office could lose future funding for grants if not properly monitored.

DIA compared all federal funds, noted by the Office, to the County's 2014 SEFA, as audited by the Auditor of State. The Northern Border Initiative grant and United States Marshals Service Federal Inmates funds were not included on the County's SEFA in the 2014 Auditor of the State's audit.

The CFDA could not be identified for either grant but should still be included on the list sent to the Fiscal Office.

The County's Fiscal Office (Fiscal Office) or Sheriff's Office does not have adequate policies and procedures in place to assure OMB Circular A-133 is followed. No formal review is performed of all federal funds sent to the Fiscal Office to be included on the County's SEFA. The County is at risk of underreporting their federal expenditures and not meeting Federal Single Audit requirements.

Recommendation

DIA recommends the Fiscal Office and Sheriff's Office develop adequate policies and procedures on reporting federal programs. The policies and procedures should list necessary procedures that need to be completed prior to submitting a schedule of federal awards to the Auditor of the State's Office. On an annual basis, the Fiscal Office should send notification to each County agency with the definition of a federal award. The Fiscal Office should request the agency provide a list of all federal funds and they should review these lists to assure all federal programs are included on the County's SEFA. If uncertainty exists, the Sheriff's Office or Fiscal Office should confirm with the grantor agencies whether the funds should be considered federal funds under OMB Circular No. A-133.

Management's Response

Previously the County's Fiscal Office has sent a spreadsheet with a list of federal funds/grants for the Sheriff's Department to review. The Sheriff's Department already tracks all grant funds/federal funds and can provide the information upon request. The CCSD grant coordinator keeps meticulous records of all grant reporting and management, which is always available upon requests.

When the CCSD Fiscal Division receives a policy from the County Fiscal Office regarding reporting federal programs, the CCSD Fiscal Division will expand upon that policy in regards to CCSD federal programs.

Prosecutor's Split of Forfeited Monies

Journal entries from court ordered forfeitures were not properly followed. The Office properly deposited the funds into the LETF bank account, however the order required 20% of forfeited monies and proceeds from the sale of forfeited property to be sent to the Prosecutor's Office. The Sheriff's Narcotics Unit (Narcotics) would annually determine how much should be sent to the Prosecutor's Office and request a check be issued by the Sheriff's Fiscal Department. Adequate internal controls and procedures are critical during this process to assure the Office is in compliance with court orders.

DIA reviewed supporting documentation maintained by the Fiscal Department and reviewed LETF deposits to assure the Prosecutor received 20% of forfeited monies and auction proceeds. The Prosecutor did receive a small portion of the court ordered forfeitures from the Office, but not the required 20% from 2009 to 2013. Since Narcotics and the Sheriff's Fiscal Department did not have support for every case in which forfeited money was deposited from 2009 to 2013, DIA summed all forfeited cash deposits and sale proceeds then multiplied the total by 20% before comparing the total to payments made to the Prosecutor's Office during that time period. The following table displays our findings:

Forfeited Monies from 2009-2013

Auction Proceeds Deposited into LETF Account	Forfeited Monies Deposited into LETF Account	Total of LETF Deposits	20% to be Sent to Prosecutor - Based on Court Order	Amount Sent to Prosecutor from 2009 to 2013	Variance - Potentially Owed to Prosecutor
\$83,163	\$624,605	\$707,768	\$141,554	\$68,627	(\$72,927)

During the audit, the Office informed the Prosecutor's Office of the variance and setup a meeting to discuss the next step. After the meeting, DIA was provided with a forfeiture list from the Prosecutor's Office which was a data dump of all forfeited monies from the Prosecutor's system with the Office as the arresting agency. DIA tested 100% of the cases on the Prosecutor's list and compared information (defendant and amount) to the court's docket (Proware) and the Sheriff's evidence system (BEAST).

Due to lack of supporting documentation, DIA's amount of \$72,927 was not consistent with the Prosecutor's list, Proware, and the BEAST. The Prosecutor's list is comprised of forfeiture journal entries dated 2009-2013 while DIA's calculation consists of cases with forfeiture journal entries from the court dating prior to 2009 and deposited into the Sheriff's LETF after 2009. Due to this inconsistency and lack of supporting documentation from both Offices, all parties agreed on a middle number of \$36,463. The Office issued a check out of the LETF account to the Prosecutor during the audit.

The Sheriff and Prosecutor did not have formal procedures in place to assure forfeited funds were accurately being disbursed from the Office to the Prosecutor's Office. Failure to have these controls in place could increase the chance of asset misappropriation and has resulted in noncompliance with court ordered procedures.

Recommendation

DIA recommends the Office and Prosecutor's Office improve communication on forfeited monies and agree on and authorize a memo of understanding (MOU) for the split in forfeited monies. The Sheriff should be disbursing 20% of forfeited monies and sale proceeds to the Prosecutor more frequently than once a year, e.g. every deposit. All supporting documents (journal entries) on the disbursement should be maintained by Narcotics and be available to the Sheriff's Fiscal Department upon request.

Management's Response

Beginning in 2017, The Sheriff's Department issues a check to the Prosecutor's Office after each cash deposit into the LETF in which the Prosecutor's Office has a right to 20% of that deposit. As for property sold on GovDeals, the Prosecutor's Office will receive their 20% once the items are sold and the funds are vouchered out of the LETF index code (SH350074) and deposited into the Law Enforcement Trust Fund Account.

Use of Proceeds from Sale of Forfeited Property

ORC Section 2981.13(D) states, in part

The written internal control policy of a county sheriff shall provide that at least ten per cent of the first one hundred thousand dollars of amounts deposited during each calendar year in the agency's law enforcement trust fund under this section, and at least twenty per cent of the amounts exceeding one hundred thousand dollars that are so deposited, shall be used in connection with community preventive education programs. The manner of use shall be determined by the sheriff after receiving and considering advice on appropriate community preventive education programs from the county's board of alcohol, drug addiction, and mental health services, from the county's alcohol and drug addiction services board, or through appropriate community dialogue.

The Office maintains and monitors a LETF bank account for all deposits of forfeited currency and proceeds from sales of forfeited property. Having adequate controls in place to assure compliance with ORC sections is essential to the Office's operations. Without these controls, the Sheriff is at risk of not using LETF funds in accordance with legal requirements.

During our review of the LETF bank account and the Office's Access Database that tracks all transactions, we noted the Sheriff does not comply with the ORC section noted above. DIA reviewed payments out of the LETF bank account for compliance with ORC 2981.13(D). The following table represents our results.

Year	Total Deposits	Amount Spent on Programs per ORC	Amount That Should Have Been Spent on Programs per ORC	Variance
2011	\$155,445	\$1,904	\$21,089	(\$19,185)
2012	\$239,641	\$129	\$37,928	(\$37,799)
2013	\$158,752	\$3,253	\$21,750	(\$18,497)
Total	\$553,838	\$5,286	\$80,767	(\$75,481)

Recommendation

DIA recommends the Sheriff comply with ORC 2981.13(D) and use LETF funds for community preventive education programs as defined in the code section (10% of deposits up to \$100,000 and 20% of deposits thereafter) These programs, as stated by the code section "*include, but are not limited to, DARE programs and other programs designed to educate adults or children with respect to the dangers associated with using drugs of abuse.*" If other funds, like the general fund, are currently being used to pay for community preventive education programs, the Sheriff should consider using LETF funds instead.

We also recommend the Sheriff develop a written internal control policy and include language from ORC 2981.13(D). See the following finding on a written internal control policy below.

Management's Response

The CCSD uses LETF funds for all mandated training for all CCSD divisions and units. This training has a direct impact on the community and all surrounding communities. The CCSD could use general fund dollars for all mandated training but has chosen to use the LETF funds for this mandated training for Law Enforcement, Protective Services, Jail and Sheriff Operations. The CCSD is very active in the community and assists several other municipal police departments and municipal SWAT teams that are struggling with budget constraints. The CCSD also uses LETF funds to purchase handouts and literature to be used at educational and awareness events that the CCSD staff attends. The cost for the aforementioned items above far exceed 10% of all deposits into the LETF, which the Sheriff and his Staff believes, satisfies this requirement. This recommendation is currently implemented and on going.

Written Internal Control Policy

The Office is required to have regulations and procedures written in an internal control policy. The following Ohio Revised Code (ORC) sections provide information that should be included in the internal control policy, including keeping detailed records for disposition of property.

ORC 2981.11

Section (B) states, "*each law enforcement agency that has custody of any property that is subject to this section shall adopt and comply with a written internal control policy*". Within the written internal control policy, the following should be included and strictly followed per ORC 2981.11:

- Keep detailed records as to the amount of property acquired by the agency and the date the property was acquired.
- Keep detailed records of the disposition of the property, which shall include, but not be limited to, the following:
 - The manner in which it was disposed, the date of disposition, detailed financial records concerning any property sold, and the name of any person who received the property. The record shall not identify or enable identification of the individual officer who seized any item of property.

- The general types of expenditures made with amounts that are gained from the sale of the property and that are retained by the agency, including the specific amount expended on each general type of expenditure, except that the policy shall not provide for or permit the identification of any specific expenditure that is made in an ongoing investigation.

ORC 2981.13 (LETF Funds)

Section (C)(2)(a) requires the Sheriff to adopt a written internal control policy to include compliance with this section. It states, *"No amounts shall be allocated to a fund created under this section or used by an agency unless the agency has adopted a written internal control policy that addresses the use of moneys received from the appropriate fund. The appropriate fund shall be expended only in accordance with that policy."* Within the written internal control policy, the following should be included and strictly followed per ORC 2981.13:

- The appropriate fund shall be expended in accordance with the internal control policy and, subject to proceeds from sales of forfeited property, only for the following purposes:
 - To pay costs of protracted or complex investigations or prosecutions.
 - To provide reasonable technical training or expertise.
 - At least 10% of the first \$100,000 of amounts deposited during each calendar year in the agency's law enforcement trust fund under this section, and at least 20% of the amounts exceeding \$100,000 that are so deposited, shall be used in connection with community preventive education programs. The manner of use shall be determined by the sheriff after receiving and considering advice on appropriate community preventive education programs from the County's board of alcohol, drug addiction, and mental health services, from the county's alcohol and drug addiction services board, or through appropriate community dialogue.
 - To pay the costs of emergency action taken under section 3745.13 of the Revised Code relative to the operation of an illegal methamphetamine laboratory if the forfeited property or money involved was that of a person responsible for the operation of the laboratory.
 - For other law enforcement purposes that the Sheriff determines to be appropriate.
- The financial records kept under the internal control policy shall specify the amount deposited during each calendar year in the portion of that amount that was used pursuant to this division, and the programs in connection with which the portion of that amount was so used.

ORC 2925.03 (DLEF Funds)

This section states that prior to receiving any fine moneys from the courts "a law enforcement agency shall adopt a written internal control policy that addresses the agency's use and disposition of all fine moneys so received. Additionally, a written internal control policy adopted under this division is such a public record, and the agency that adopted it shall comply with it."

Within the written internal control policy, the following should be included and strictly followed per ORC 2925.03:

- Addresses the Sheriff's use and disposition of all fine money received.
- Provides for the keeping of detailed financial records of the receipts of those fine moneys
- Provided for the general types of expenditures made out of those fine moneys
- Provides for the specific amount of each general type of expenditure.
- The policy shall not provide for or permit the identification of any specific expenditure that is made in an ongoing investigation.
- The Sheriff should comply with any public records request for the written internal control policy.

DIA obtained a written policy from the Sheriff's Fiscal Department on the law enforcement discretionary funds. During review of the policy, DIA noted requirements from the ORC sections mentioned above were not included and the policy did not appear to be up-to-date. The policy was not dated and was not approved by the Sheriff and/or County Council.

Failure to keep policies current could result in the Office performing duties not in compliance with the ORC. Furthermore, failure to approve policies could result in undefined actions outside management expectations.

Recommendation

DIA recommends the Office create a revised written internal control policy to comply with all applicable ORC sections. Once drafted, the policy should be reviewed and approved by the Sheriff and/or the Chief Community Safety and Protection Officer.

Management's Response

The CCSD has formed an agreement with Lexipole LLC for the use of their subscription materials, e.g. law enforcement policies. Moreover, for their expertise in customizing these materials and drafting new material in order to meet the policy and procedure needs of the CCSD Law Enforcement units. The internal control policies regarding both the LETF and the DLEF are both on the list of items to be addressed by Lexipole and the CCSD Law Enforcement Staff.

Estimated Implementation Date: 6/30/18.

Furtherance of Justice Bond

Ohio Revised Code (ORC) Section 325.071 states, "Nothing shall be paid under this section (Furtherance of Justice) until the sheriff gives bond to the state in an amount not less than the sheriff's official salary, to be fixed by the court of common pleas or the probate court, with sureties to be approved by either of those courts. The bond shall be conditioned that the sheriff will faithfully discharge all the duties enjoined upon the sheriff, and pay over all moneys the sheriff receives in an official capacity. The bond, with the approval of the court of common pleas or the probate court of the amount of the bond and the sureties on the bond, shall be deposited with the county treasurer."

DIA noted the Sheriff's Furtherance of Justice (FOJ) bond was for \$110,000 from January 2014 to January 2017. In July 2013, the Sheriff's salary exceeded \$110,000 and remained above this amount through the audit.

In addition, we noted the bond was not approved by the common pleas or probate court.

The Sheriff and/or responsible agencies do not have controls in place to assure his FOJ bond is adjusted to comply with this ORC. The Sheriff could be at risk of losing FOJ funds if his bond is not in compliance with ORC Section 325.071.

Recommendation

DIA recommends the Sheriff update his current bond amount to at least his current salary. The court of common pleas or probate court should approve the bond, as well.

Management's Response

Have emailed Risk Management and they are working on correcting this amount. They currently have the Sheriff at a salary of \$118K and the Business Service Manager told them to increase that amount to \$122K. This recommendation will be implemented once Risk Management updates the Sheriff's bond amount and sends to the CCSD for signature.

Inventory Reporting

In order to comply with ORC section 305.18, the Office is responsible for annually reporting their inventory to the Fiscal Office. Each department within the Office is responsible for reporting their own inventory to Systems in order to accumulate the information for filing with the Fiscal Office.

Systems properly submits an annual inventory list to the Fiscal Office in compliance with ORC 305.18; however, Protective Services does not report their inventory with the rest of the Office's Inventory. Therefore, Protective Services' vehicles, firearms, vests, and defibrators are excluded from the inventory list sent to the Fiscal Office.

Since a policy and procedure manual has not been implemented, the Office is at an increased risk of inventory items being excluded from the inventory list and subject to misappropriation. Furthermore, the Office fails to comply with ORC requirements when the Fiscal Office receives a list without items from Protective Services.

Recommendation

DIA recommends the Office include Protective Services' inventory on the annual inventory list sent to the Fiscal Office or Protective Services separately report their inventory to the Fiscal Office.

In addition, the annual inventory list sent to Systems should be reviewed and approved by signature of each department head to attest to the list's accuracy. We also recommend Systems sign-off on the list to confirm the list was reviewed and appears to be free of obvious errors before sending to the Fiscal Office.

Management's Response

As of 2016, Systems no longer coordinates the inventory submission to the County's Fiscal Office. Now each office submits their inventory to the Sheriff's Fiscal Office. Starting in 2016, which is when the Sheriff's Department became responsible for the management of Protective Services, we have included the Protective Services equipment in the inventory sent to the County's Fiscal Office. All vehicles, including Protective Services, are handled/inventoried by Public Works.

Deposit of Public Monies - Warrants & Records

ORC Section 9.38 states in part "*If the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited.*"

Once a week the Warrants & Records Department deposits money taken in from background investigations done by the Sheriff's Civil Department, without consideration of ORC section 9.38. Furthermore, no policy permitting a different time period was adopted.

Overages and shortages are not tracked and monitored by the Department. Instances are infrequent but when they occur, overages are maintained in a separate envelope and kept in the Sergeant's desk drawer until shortages occur. Shortages are then funded by the accumulation of

overages. Besides being a flawed internal control policy, not depositing the overages causes noncompliance with ORC section 9.38.

Failure to deposit public money in a timely manner increases the Office's exposure to theft, or potential loss of money and untimely deposits.

Recommendation

Warrants & Records should develop a policy in which the deposit of background investigation money is done in a timely manner consistent with ORC 9.38.

Additionally, the policy should include handling of overages and shortages. All overages should be well documented and deposited with all money collected.

Furthermore, Warrants & Records should maintain a record and track all overages and shortages for patterns of error. If overages and shortages are consistently reoccurring with an employee, corrective action should be taken that could result in discipline, additional training, or dismissal.

Management's Response

The warrants and records department is in the process of developing a policy to address DIAs recommendations and concerns.

Estimated Implementation Date: January 2018.

Records Retention Schedule

County Ordinance 2011-0012, Section 5.7, states, "Each public office shall have a records retention schedule in place, which shall specify, consistent with state law, the methods by which and the length of time that records shall be kept." In addition, each public office shall propose a public records retention schedule to the County Records Commission, in accordance with the procedures set forth in Section 149.38 of the ORC, no later than June 30, 2011. Additionally, ORC Section 149.351(A) states, in part, "All records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part."

A records retention schedule was requested of each department in the Office. The Office was discussing a new records retention schedule prior to the audit, but discussion was stopped during the audit. The Sheriff's Fiscal Department provided one record retention schedule for the entire Office. The schedule contained very few records and was last updated in 1981. DIA also obtained six other outdated record retention schedules from the County's Communications Department, including:

- Civil (1993)

- Commissary (1979)
- Criminal (2006)
- Detective Bureau (2009)
- Payroll (1980)
- Systems (1981)

Each Department was unaware their schedule existed.

Failure to establish and enforce a record retention schedule results in unauthorized destroyed or missing records. Furthermore, in the absence of a law or retention schedule permitting disposal of particular records, the Office lacks the required authority to dispose of those records, and must maintain them until proper authority for disposal is obtained. In the meantime, the records remain subject to public records requests.

Recommendation

DIA recommends the Office establish an updated record retention schedule in accordance with the resolution above and file the document with the County Records Commission. All Office records must be maintained in accordance with the newly proposed record retention schedule. Absent a record retention policy for each department, all records need to be maintained.

Management's Response

Made the request to Cuyahoga County on 3/20/17 for a copy of their most current records retention schedule. The Business Service Manager was told that each agency needs to draft a records retention schedule pertaining only to their agency. This is another item that will be put on the "to do" list in order to begin drafting.

Estimated Implementation Date: 6/30/18.

Internal Control Findings

Policy and Procedure Manual

Written policies and procedures ensure consistency in the operations of an agency. Existence of codes of practice and other regulations or guidance regarding acceptable practices, conflicts of interest, or expected standards of ethical and moral behavior, and their communication throughout the organization is an essential part of a policy and procedure manual. Furthermore, a policy and procedure manual assures consistency in day-to-day operations. Formalized procedures reinforce management's expectations for the agency.

The Office does not have a policy and procedure manual in place for the following departments:

- Narcotics Unit
- Civil Division
- Fiscal Department
- Payroll
- Computer Information Technology
- Operations Support Division
- Commissary Division
- Task Forces Division
- Detective Bureau
- Perimeter Patrol
- Impact Unit
- Criminal Records Division

They also lack internal codes and other forms of guidance regarding acceptable practices, conflicts of interest, or ethical and moral behavior.

Failure to have some form of internal guidance may result in undefined procedures that can lead to inconsistency in the operations of the agency as well as actions and discipline that are inconsistent with the intentions of management.

Recommendation

DIA recommends the Office develop a policy and procedure manual in all departments. Within the manual the Office should adopt the County's policies and procedures as well as policies and procedures specific to the Office's operations. The manual should include these items, at a minimum:

- Documentary narratives of daily operations describing significant steps and procedures (e.g. buy/maintenance money, seized property, procedures to void a transaction, foreclosure process, etc.).

- Documentation of all accounting procedures performed, including reconciliations and review procedures (e.g. who should be present at cash counts, how to control discretionary funds, approval of expenditures)
- Record retention.
- A list of references to applicable local, state, and federal regulations.
- Accounting for and monitoring foreclosures, commissary funds, evidence money, and discretionary funds.
- Capital asset/inventory listing, along with procedures on updating list.
- Safeguard procedures (including cash, evidence, computer, and physical controls as well as securing personal information).
- A list of standardized forms utilized including a description of their purpose.
- Procedure for reporting suspected fraudulent activity.

Once drafted, the policy and procedure manual should be approved by the Sheriff and/or approved by County Council.

Management's Response

On 5/2/17, this comment was discussed at monthly department(s) meetings with department supervisors, (Law Enforcement, Protective Service, Jail, Jail Medical, and Sheriff Operations). These larger departments encompass all of the smaller units listed above. Copies of this information and DIA's recommendations were discussed and will be disseminated. Each department will be responsible for implementing DIAs recommendation or explaining why the recommendations should not be followed.

Estimated Implementation Date: By DIA's follow-up date (June of 2018).

Purchasing Procedures

The Office disburses funds from a number of index codes. These purchases are subject to Cuyahoga County purchasing guidelines. The Office does not have written procedures in regards to their purchasing activities. Having effective policies and procedures in place on purchasing is essential to the Office's operations.

During testing of nonpayroll disbursements, including discretionary funds, from January 1, 2011 through August 31, 2013, the following was noted:

- No Departmental Order Form or other sort of requesting documentation to purchase goods was evident for the following transactions:
 - 2011 - 10 of 92 tested.
 - 2012 - 14 of 94 tested.
 - 2013 - 11 of 65 tested.
- No voucher was found with supporting documentation for the following:

- 2011 - One of 92 tested.
- 2012 - One of 94 tested.
- 2013 - Two of 65 tested.
- No supporting documentation (invoices/receipts) could be located for the following expenditures:
 - 2011 - Seven of 92 tested.
- Sales tax was charged for the purchase of goods in the following:
 - 2012 - One of 94 tested.
 - 2012 - Four of 37 discretionary fund transactions tested.
 - 2013 - Two of 25 discretionary fund transactions tested.
- No indication that travel or travel reimbursement was approved or reviewed by a supervisor for the following:
 - 2011 - One of 92 tested.
 - 2012 - Three of 94 tested.
 - 2012 - Two of 37 discretionary fund transactions tested.
 - 2013 - One of 65 tested.
- No invoices or receipts were present for reimbursements made in the following test of discretionary funds transactions:
 - 2011 - Two of 43 tested.
 - 2012 - One of 37 was a payment to a civilian for an item that was missing from evidence. No support (evidence logs, approval for payment, or case information) was maintained by the Office for the missing item.
 - 2013 - One of 25 tested.
- Checks from the Office, including reimbursement checks, are not mailed directly to vendors by the Fiscal Office, they are held until an employee of the Office picks up the checks and mails them to the vendors.

All of these issues are a result of a lack of written policies and procedures regarding purchasing. Failure to implement written policies and procedures on purchasing can result in unauthorized purchases.

Recommendation

The Office should develop policies and procedures regarding their purchasing activities. These policies should be approved by the Sheriff and/or County Council and should address, at a minimum, the following:

- Level of documentation and approval necessary to initiate the purchase of goods.
- Travel policies for employee's traveling on Office business.
- Having supervisors sign off on travel expenses and usage of per diem when travelling.
- Invoices or receipts should be required for payments to be made out of any Office funds.
- Sales tax should be removed from the purchase of goods.

- Checks should be mailed to vendors, and employees for reimbursement checks, by the Fiscal Office.
- Authorization and support for reimbursement of missing evidence items should be well documented and maintained.

Once approved, the policies should be followed for all purchases and reimbursements.

Management's Response

On 5/2/17, this comment was discussed at monthly department(s) meetings with department supervisors, (Law Enforcement, Protective Service, Jail, Jail Medical, and Sheriff Operations). These larger departments encompass all of the smaller units listed above. These larger departments encompass all of the smaller units listed above. Copies of this information and DIA's recommendations were discussed and will be disseminated. Each department will be responsible for implementing DIAs recommendation or explaining why the recommendations should not be followed.

Estimated Implementation Date: By DIA's follow-up date (June of 2018).

Travel and Reimbursement Policy

Employees of the Office perform duty-related travel when attending training or during prisoner extraditions. Sheriff Deputies are responsible for their own tolls and meals while traveling for training and seek reimbursement. There are 19 credit cards assigned to 19 deputies for extraditions. Extraditions are paid out of the Transportation bank account. There are five credit cards assigned to the Sheriff for duty-related training and travel. Duty-related credit cards are paid out of LETF or FESA funds. For extraditions and duty-related credit cards, Sheriff deputies must sign out the credit cards from the Sheriff's Fiscal Department prior to using them. An expense report must be completed upon return and submitted to the Sheriff's Fiscal Department with all receipts. Deputies also make extraditions for the County Prosecutor's Office. The extradition credit cards were used for Prosecutor trip expenses and were submitted the same way as the Sheriff extraditions. The Prosecutor's Office was billed to reimburse the Sheriff's transportation account.

The Office sets per diem amounts based upon rates established by the County for each travel destination. According to the Office's extradition policy manual, which refers to the Fiscal Office as the "County Auditor", employees cannot exceed this amount and will be responsible for the difference. The policy also states the per diem rates may be used per inmate. The Sheriff's Fiscal Department is responsible for reviewing expense reports to assure all receipts agree to the expense report and credit card statement (for credit card users) as well as recalculate the allotted per diem. DIA performed control and substantive tests on all discretionary fund expenses. The following was noted for extradition and duty-related travel:

Extraditions

Note: The Office was unable to provide a detailed list of extraditions performed during the audit period. DIA selected a sample of monthly credit card statements and tested all transactions. There are instances where a deputy could be reimbursed for extraditions if no authorized credit card users are available. DIA selected a sample of these transactions, as well.

- 2011 – Out of 12 credit card statement payments, totaling \$31,835, DIA selected four statements and tested all transactions. In addition, three extradition reimbursements were tested out of a total of 10 (\$146) reimbursements during the year. The total sample size was \$9,166 out of 13 transactions. The following issues were noted:
 - There was one instance in which the wrong per diem rate was used compared to the County’s per diem schedule. The deputy charged the credit card and never reimbursed the Office for \$21.11.
 - There were two instances on two separate extraditions to Inex, Kentucky, which is not listed on the County per diem schedule, in which two different per diem allowances, \$30 for one trip and \$35 for the other trip, were used.
 - There were three instances in which food and beverage reimbursements and credit card charges exceeded the established per diem amount for the day, resulting in \$70.62 in overages. In two instances, the deputies overcharged the credit card for a total of \$67.16. In the other instance, the deputy was reimbursed for \$3.46 more than the allotted amount. The amounts were never refunded by the deputies. DIA was unable to verify if the deputy bought food for the inmate while reviewing the receipts.
 - There was one instance in which a reimbursement was given to a deputy in the amount of \$14.50 for tolls and no receipt was maintained to verify this amount. The amount was never refunded by the deputy.
- 2012 – Out of 12 credit card statement payments, totaling \$30,608, DIA selected three statements and tested all transactions. In addition, three extradition reimbursements were tested out of a total of six (\$314) reimbursements during the year. The total sample size was \$6,701 out of six transactions. The following issues were noted:
 - There was one instance in which the food and beverage credit charge exceeded the established per diem amount for the day. The deputy charged the credit card and never refunded the Sheriff for \$9.23. DIA was unable to verify if the deputy bought food for the inmate while reviewing the receipt.
 - During two extraditions for the Prosecutor’s Office, Prosecutor employees accompanied the deputies on the extraditions. In both case, no receipts were provided to the Sheriff’s Fiscal Department for purchases that were made out of pocket by the Prosecutor employees. No charges were on the credit card statement other than the Sheriff deputies’ charges (confirmed by DIA). The Sheriff’s Fiscal Department erroneously billed the Prosecutor’s Office for the two missing receipts since it was noted on the expense report. The bill was sent to the Prosecutor’s Office prior to receiving the credit card statement. Therefore, the expense report and receipts were never reconciled to the credit card statement.

The Office returned these funds, totaling \$31.30, to the Prosecutor's Office during the audit on 5/29/2014.

- 2013 (through 8/31/13) – Out of seven credit card statement payments, totaling \$11,841, DIA selected two statements and tested all transactions. In addition, one extradition reimbursement was tested out of a total of three (\$24) reimbursements during the year. The total sample size was \$3,532 out of three transactions. The following issue was noted:
 - There was one instance in which the food and beverage credit charge exceeded the established per diem amount for the day. The deputy charged the credit card and never refunded the Sheriff for \$4.76. DIA was unable to verify if the deputy bought food for the inmate while reviewing the receipt.

Duty-Related Travel

- 2011 – Out of 52 transactions, totaling \$38,903, DIA selected five transactions, totaling \$687, to test. The following issues were noted:
 - There was one instance in which the food and beverage reimbursement exceeded the established per diem amount for the day, resulting in \$30.54 in overages. The amount was never refunded by the deputy.
- 2012 – Out of 39 transactions, totaling \$33,052, DIA selected 10 transactions, totaling \$8,615, to test. The following issues were noted:
 - There were two instances in which a food and beverage reimbursement and credit card charge exceeded the established per diem amount for the day, totaling \$24.18 in overages. In one instance, the deputy charged the credit card and never refunded the Office for a total of \$16.42. In the other instance, the deputy was reimbursed for \$7.76 more than the allotted amount.
- 2013 – Out of 24 transactions, totaling \$10,882, DIA selected three transactions, totaling \$493, to test. No instances were noted.

DIA inquired with the Sheriff's Fiscal Department about the overcharges and reimbursements that exceed the allotted per diem rates. The Sheriff's Fiscal Department was aware of the occurrences and stated supervisors are contacted when discrepancies are found. Even though the policy states that deputies are responsible for payments over the allotted amount, no enforcement of the policy is evident.

The Office does not have effective prevention controls in place for employees exceeding the authorized per diem threshold. There is also a lack of consistency in reporting prisoner meal amounts during extraditions. Without repercussions, the Office travel policy is ineffective and unmanageable as employees are not disciplined for noncompliance.

Recommendation

DIA recommends the Office review and update policy and procedures in regards to travel on County business and reimbursements for travel. At a minimum, the following should be included in the policies and procedures:

- Reference to “County Auditor” in the current policy should be changed to “County Fiscal Officer”.
- The Sheriff’s Fiscal Department should document review procedures and detection controls in the travel policy. Procedures should be noted on confirming expense reports, receipts, credit card charges, and verification of per diem rates to the travel policy.
- Establishment of per diem rates when traveling to a city not listed on the County per diem reimbursement rate schedule.
- Consequences should be formalized for instances when employees exceed their established per diem rate. The policy should state that an employee will not be reimbursed for any amounts over the per diem limit. If any employee charges over the per diem rate on the Office’s credit card, the Office should be refunded for the excess amount within a defined period of time (e.g. 30 days) or corrective actions should be taken.
- Reimbursements should not be given to employees or charged to the Prosecutor's Office if there are no receipts present or charge on a credit card bill to justify the expenditure.
- Meals for prisoners during extraditions should be separately identified on receipts and expense reports. In addition, the Office should consider limiting meals to prisoners at a lower rate than per diems allowed for deputies.

In addition, the Sheriff should consider recovering any overpayments identified by any auditing function.

Management's Response

On 5/2/17, this comment was discussed at monthly department(s) meetings with department supervisors, (Law Enforcement, Protective Service, Jail, Jail Medical, and Sheriff Operations). These larger departments encompass all of the smaller units listed above. These larger departments encompass all of the smaller units listed above. Copies of this information and DIA’s recommendations were discussed and will be disseminated. Each department will be responsible for implementing DIAs recommendation or explaining why the recommendations should not be followed.

Estimated Implementation Date: By DIA’s follow-up date (June of 2018).

Organizational Chart

Every department within the Office should develop an approved organizational chart. Such a chart is essential for balancing work levels and defining reporting relationships within the department. The Office does not have approved organizational charts for some departments. When asked for organizational charts, the following departments could not provide one:

- Fiscal Department
- Narcotics Unit
- Impact Unit
- Commissary Division

Without clear and defined lines of reporting there is a lack of reporting methods and direction in which employees are to follow.

Recommendation

DIA recommends the Office develop organizational charts for each department. Once they are created they should be approved by the Sheriff. The organizational charts should list clear lines of reporting for each position within the Office in order to give employees a clear sense of direction and guidance on direct reports. These organizational charts should be updated when departmental changes are made.

Management's Response

On 5/2/17, this comment was discussed at monthly department(s) meetings with department supervisors, (Law Enforcement, Protective Service, Jail, Jail Medical, and Sheriff Operations). These larger departments encompass all of the smaller units listed above. Copies of this information and DIA's recommendations were discussed and will be disseminated. Each department will be responsible for implementing DIAs recommendation or explaining why the recommendations should not be followed.

Estimated Implementation Date: By DIA's follow-up date (June of 2018).

Job Descriptions

Every agency should develop formal job descriptions for each employee outlining all duties and requirements encompassing the position. Such descriptions are essential for balancing work levels and defining the responsibilities of all employees.

The Office does not have formal job descriptions for all Office positions that were approved by the Sheriff or by Human Resources (HR). When asked for documentation of job descriptions, the Office or HR could not provide documentation that job descriptions existed for manager and supervisor type positions, including the following positions:

- Corporals
- Sergeants
- Lieutenants
- Captains
- Chief

Without well-defined job descriptions, there is a lack of concrete responsibilities and direction in which the employees are to follow and be held accountable. This could lead to underperforming and ultimately not achieving the agency's goals and mission. Additionally, it could lead to

inefficiency in the work place as a result of redundancy in work being performed as well as individuals not being able to complete assigned tasks.

Recommendation

DIA recommends the Office create formal job descriptions. Once they are drafted, they should be approved by the Sheriff and/or County Council. The job descriptions should list the functions and requirements of the job in order to give the employee a clear understanding of the tasks that he/she will be asked to perform in order to achieve the agency's goals and objectives in support of their mission.

Management's Response

On 5/2/17, this comment was discussed at monthly department(s) meetings with department supervisors, (Law Enforcement, Protective Service, Jail, Jail Medical, and Sheriff Operations). These larger departments encompass all of the smaller units listed above. Copies of this information and DIA's recommendations were discussed and will be disseminated. Each department will be responsible for implementing DIAs recommendation or explaining why the recommendations should not be followed.

Estimated Implementation Date: By DIA's follow-up date (June of 2018).

Computer Controls

Password security and appropriate use access is essential in eliminating the risk of unauthorized access to computers. The Office should have controls in place to assure passwords are secure and periodically changed. Also, users should have appropriate access and management should assure users are added and deleted in a timely manner.

During our walkthrough of the Office's various systems, DIA witnessed users of the BEAST (property tracking system) in Narcotic logging into the system. We noted security over BEAST passwords was extremely weak; no requirements to be changed on a regular basis nor is there any requirement to use special characters or set a minimal length.

Also, the Office maintains a database to track the deposits and disbursements to and from the discretionary funds. These funds include the DLEF, FESA, FOJ, LETF, and transportation funds. No passwords were required to access the Sheriff's Fiscal Department's Access Database of discretionary funds transactions. The database does not record who makes entries to or deletions from the database. There is also no review or approval of changes that are made to the database.

In addition, DIA reviewed user access to the Office systems. During our review of the BEAST and the Sheriff's Fiscal Department's Access Database, we noted at least three users in the BEAST and

four users in the Access Database with access to the systems that were not currently employed with the Office.

There are no policies and procedures in place to enforce password protection in the Office; to delete users upon termination; or to track user edits in the database.

The risk of unauthorized access is increased with weak password security as well as terminated employees with access to the systems. This weakness of unauthorized access may result in theft and/or the altering of public records. Furthermore, without a means to track who is making entries to or deletions from the database there is an increased risk of incorrect or misrepresented entries to the database.

Recommendation

DIA recommends the Office develop written policies and procedures to include controls over password security. Users should be required to periodically change passwords, e.g. every 90 days. Password security should be increased by requiring passwords to include numbers, capital letters, special characters, etc. Policies should also include procedures on deleting terminated employees from the Sheriff's systems.

In addition, the Sheriff's Fiscal Department should develop a new, or make changes to, the existing database that is capable of tracking user edits to the database.

Management's Response

On 5/2/17, this comment was discussed at monthly department(s) meetings with department supervisors, (Law Enforcement, Protective Service, Jail, Jail Medical, and Sheriff Operations). These larger departments encompass all of the smaller units listed above. Copies of this information and DIA's recommendations were discussed and will be disseminated. Each department will be responsible for implementing DIAs recommendation or explaining why the recommendations should not be followed.

Estimated Implementation Date: By DIA's follow-up date (June of 2018).

Directory Access

Access to the various folders stored on the Office's network should be administered by the principle of least privilege. Each user should be assigned to an administrative group based on their functional duties and access should be limited to the minimum amount of information required to complete the tasks they are assigned.

When DIA was logged in using the credentials of an employee within the Sheriff's Civil Department it was noted that full access to every file on the directory had been granted. The employee whose credentials were used is not assigned duties pertaining to the financial operations of the Sheriff's Civil Department, but the employee could view, modify, or delete files in the folder.

This employee could access sensitive information not pertaining to their assigned duties due to a lack of review and assignment of access controls for the network directory. Without these controls, unsophisticated users may modify or delete documents from the network. In addition to this risk, unauthorized access might occur in which an employee could alter documents, or an individual could change records to conceal the misappropriation of assets.

Recommendation

DIA recommends the Office review the assigned access privileges for the directory. The users should be aggregated by job function into user groups. Full access to folders on the network should only be assigned to the user groups created that need access to the files in those folders due to their ongoing job duties. This information should then be given to the network administrator for review and implementation.

Once established these user groups should be reviewed on an ongoing basis for changes in personnel. New employees will need to be assigned to a user group, current users will need to be modified as their job duties change, and terminated employees will need to be removed from the user groups.

Management's Response

On 5/2/17, this comment was discussed at monthly department(s) meetings with department supervisors, (Law Enforcement, Protective Service, Jail, Jail Medical, and Sheriff Operations). These larger departments encompass all of the smaller units listed above. Copies of this information and DIA's recommendations were discussed and will be disseminated. Each department will be responsible for implementing DIAs recommendation or explaining why the recommendations should not be followed.

Estimated Implementation Date: By DIA's follow-up date (June of 2018).

Cash and Physical Security

All money received by the Office should be protected until it can be deposited. Cash safeguard controls can consist of physical safeguards such as a locked safe.

During the walk-through of cash collection processes and physical security of the Office the following deficiencies were noted in the specified areas:

Warrants & Records

- No security cameras facing the collection of money were seen in the record check area.
- Money received was locked in the supervisor's desk drawer, but no safe or lock box was present.
- Change for cashiers was also kept locked in the supervisor's desk drawer totaling \$200 in small bills.

Impact Unit

- Combination to the safe has not been recently (if ever) changed.

Without strong physical controls over cash collection there is an increased risk of unauthorized access or theft of public monies.

Recommendation

To improve internal controls over cash accountability, we recommend the Office address these issues and develop policies and procedures that include the following:

- Combination to safes should be changed, at least, on a yearly basis or when an employee leaves the department.
- A security assessment should be completed for areas in which cash is handled to determine if security cameras are adequately utilized.
- A safe should be purchased for the Warrants & Records Department, specifically for record check money. All money taken in from sales, change, or money awaiting deposit with the Sheriff's Civil Department, should be locked in the safe. The combination should be changed, at a minimum, on a yearly basis and when an employee leaves the department. A list should be created and sent to the Sheriff's Fiscal Department, of employees with the safe's combination.

Management's Response

The Criminal Records/Warrants division is in the process of developing a policy to address these issues and DIAs recommendations. In addition, this unit is working with the Sheriff's Fiscal Office to purchase a safe to appropriately hold all collected revenue.

Estimated Implementation Date: January 2018.

Payroll Analysis

The Sheriff's Payroll Department (now a part of the County's HR Time and Attendance Department) is responsible for monitoring and recording the regular and OT hours an employee works during each pay period. They are also responsible for other payments (e.g. leave pay outs, excess life, uniform allowance) made as well as deductions taken out of employee earnings. Having appropriate prevention and detection controls in place is crucial to the Payroll Department's operations.

During DIA's substantive test of payroll transactions between January 1, 2012 and August 31, 2013 the following was noted:

- The Sheriff at the time had his pay reduced by \$100 for pay periods June 21, 2013 and September 27, 2013. The Sheriff was told by Payroll this deduction was being made due to prior paycheck over payments; however, no support was maintained with Payroll for this reduction. DIA did not identify an overpayment made to the Sheriff.
- During a review of OT hours during the audit period, DIA noted six instances in which OT appeared to be exceptionally high during specific pay periods. See the following table for more details. DIA utilized data analytics software to identify these overtime hours.

Overtime Hours Exceptions

Employee	Pay Period End	OT Hours Per Pay Register	OT Hours Per SAP (Time Clock Punches)	Variance (Over Paid)	Payroll Department Response
1	8/24/2013	202.55	20.25	(182.30) (\$4,503.72)	This error was identified by the employee on the pay date. DIA obtained support the employee paid back the excess OT money. The employee was then issued a manual check for the correct amount. No detection controls were in place to identify this error prior to the pay date.
2	5/18/2013	81.00*	77.00	(4.00) (\$120.06)	DIA was told this was a retroactive pay for OT hours from previous pay periods. No notes or support was found to indicate the pay period OT hours were not paid.
3	12/1/2012	108.22*	84.22	(24.00) (\$943.20)	DIA was told this was a retroactive pay for OT hours from previous pay periods.

4					No notes or support was found to indicate the pay period OT hours were not paid.
	11/17/2012	126.75*	118.75	(8.00) (\$192.96)	DIA was told this was a retroactive pay for OT hours from previous pay periods. No notes or support was found to indicate the pay period OT hours were not paid.
5	12/31/2011	89.64*	73.64	(16.00) (\$397.92)	DIA was told this was a retroactive pay for OT hours from previous pay periods. No notes or support was found to indicate the pay period OT hours were not paid.

*In these four instances OT hours in SAP did not agree to pay registers due to retroactive pays, according to Payroll. Registers totaled 68 OT hours more than OT recorded in SAP as OT hours worked.

- DIA selected five Protective Services Officers and tested five pay periods in 2011 and 2012 and four pay periods in 2013. No discrepancies were noted with the spreadsheet provided by Protective Services and the amounts each Officer was paid in overtime. However, DIA did note there is no supporting documentation to show the spreadsheet numbers were accurate and no authorization of overtime worked was evident by an immediate supervisor.
- DIA performed an analysis on pay rates indicated in the Sheriff's pay registers per pay period. We recalculated all pay rates from January 1, 2012 through August 31, 2013 using the following formula in our data analytics software:

$$\text{Recalculated Pay Rate} = \frac{\text{Regular Earnings}}{\text{Regular Hours Worked}}$$

We identified 3,184 variances, resulting in potential overpayments totaling \$3,184.41 and potential underpayments totaling \$243,558.66, between the recalculated pay rates and pay rates listed on the pay registers. The table below lists the top six variances noted. Payroll stated the pay rates on the payroll register may not be the actual pay rate of the employee at the pay period end date. Payroll was unable to provide documentation for these variances.

Pay Rate Variances

Employee	Pay Period End	Pay Rate Per Pay Register	Pay Rate Recalculated (Regular Earnings÷Regular Hours)	Variance Over/(Under) Paid
1	8/24/2013	\$15.64	\$14.31	(\$1.33)

2	8/24/2013	\$16.96	\$15.64	(\$1.32)
3	7/27/2013	\$20.01	\$25.69	\$5.68
4	12/1/2012	\$13.72	\$9.06	(\$4.66)
5	6/2/2012	\$19.43	\$16.36	(\$3.07)
6	3/24/2012	\$17.41	\$13.29	(\$4.12)

- For the following exceptional items noted in analyzing data through DIA's data analytics software, we noted 420 instances, resulting in potential over payments of regular time totaling \$184,863, in which employees were paid an excessive amount over 80 normal hours of work (greater than 12 hours over 80 hours was the total population due to union agreements that require officers to work more than 80 hours every two weeks). Payroll stated the extra hours paid were retroactive from previous pay periods but no documentation or notes were kept as to which pay period(s) the extra regular hours were worked and not paid. See the following table for details on the highest six variance noted.

Regular Hours Exceptions

Employee	Pay Period End	Regular Hours Per Pay Register	Variance Compared to 80 Hours	Payroll Department Response	DIA Finding
1	3/23/2013	114.37	34.37 (\$863)	Retroactive pay for FMLA taken during February and early March in addition to regular time worked during the pay period.	No notes or support maintained. DIA confirmed variance by reviewing prior pay periods.
2	2/23/2013	160	80 (\$2,138)	Employee was overpaid and refunded full net amount on 3/5/2013. An adjustment was made on the next pay register (3/9/2013) to adjust all earnings and withholdings. A manual check was issued for the 80 regular hours worked.	No notes or support maintained, but DIA noted net amount was refunded, per review of revenue receipt. Adjustments to earnings and withholdings were noted in the 3/9/2013 pay register.
3	2/9/2013	138.48	58.48 (\$723)	Retroactive pay for vacation hours used	No notes or support

				the previous pay period (1/26/13) that was not paid.	maintained. DIA confirmed variance by reviewing prior pay periods.
4	1/26/2013	176	96 (\$1,921)	Retroactive pay for previous pay period.	No notes or support maintained. DIA confirmed variance by reviewing prior pay periods.
5	1/28/2012	122.43	42.43 (\$1,024)	Retroactive pay for FMLA taken during the 12/31/2011 and 1/14/2012 pay periods.	No notes or support maintained. DIA confirmed variance by reviewing prior pay periods.
6	1/14/2013	101	21 (\$286)	21 extra hours from unknown source.	No documentation was maintained.

During termination pay out testing, DIA noted two employees were paid a total of \$262 for "other payment". No support was maintained by Payroll for the "other" payment. Payroll stated the payments could be for leave time paid out, but DIA could not confirm this statement.

The Office has never required documentation or electronic notes to be kept on adjustments made to employee hours and earnings. Without adequate documentation or notes on adjustments made, the risk of incorrect payments increases and no audit trail is evident in the payroll system to detect errors before paychecks are issued. A lack of formal procedures to handle adjustments could result in unintentional or intentional payroll expense misstatement.

Recommendation

The Sheriff's Payroll Department (now a part of the County's HR Time and Attendance Department) needs to develop formal policies and procedures on payroll adjustments and maintain documentation, either in physical form or through electronic means, on all adjustments made to employee hours or earnings. For example, any hours or earnings not comparable to normal hours or supporting documentation in the current pay periods should include documentation or notes on the reason for the variance or adjustment. All retroactive payments should be referenced to a previous pay period(s). Payroll should also maintain adequate support and notes on termination pay outs for all employees leaving the County.

The Office should pursue additional documentation on the other 5,181 discrepancies DIA identified. These instances should be researched and well documented in SAP. If valid reasons cannot be identified for the overpayments, the Office should pursue collection from the employee.

In addition, Protective Services should consider following the same procedures as Corrections Officers and Sheriff Deputies. OT slips or some sort of maintainable source document should be completed with immediate supervisor approval noted. The OT slips should be maintained by the Office for an amount of time specific to the Office's record retention schedule.

DIA also recommends the Office perform periodic random sample audits on OT slips to assure supervisor approval is evident and OT hours are accurately and timely submitted to Payroll.

Management's Response

N/A - The Sheriff's Department no longer has its own payroll department.

Auditor's Response

The payroll department in the Sheriff's Office was decentralized after audit fieldwork was performed and has since been combined with the County's Human Resources Payroll Department. DIA commenced an audit on the County's payroll function after this audit and will address these issues in that audit.

Payroll FAMIS Reconciliation

The County's Fiscal Office – Payroll Department is responsible for the maintenance of earnings, payroll deductions, and time balances for employees of Cuyahoga County. All earnings and deductions are compiled in payroll ledgers before being uploaded into FAMIS.

Payroll data kept by the Payroll Department does not reconcile to payroll data posted in FAMIS. DIA was unable to agree earnings and deductions from the pay registers to FAMIS. Furthermore, there is no evidence the two systems are reconciled by the Sheriff's Fiscal Department.

Without a review between payroll ledgers and FAMIS there is an increased risk of undetected errors and misstatements.

Recommendation

We recommend the Sheriff's Fiscal Department reconcile payroll ledgers to earnings and deductions posted in FAMIS on a monthly or bi-weekly basis. Support should be maintained noting the reason payroll ledgers and FAMIS do not agree.

Management's Response

Impossible to do with over 1000 employees and a Fiscal staff of six. The Business Service Manager could attempt to submit a hiring request for another analyst in order to perform all of the reconciliations and charge back monitoring that is being recommended in this audit report. If denied, it is our understanding that this will be remedied by the new ERP.

Bank Reconciliations

Bank reconciliations should be performed on a monthly basis to assure the accuracy of the Office's financial system to the bank balance. Having procedures and adequate documentation in place during monthly bank reconciliations is essential to improve the accuracy and timeliness of financial reporting.

The Sheriff's Fiscal Department has multiple bank statements reconciled by the Business Services Manager. All activity from the bank is obtained and compared to the system balance (Checkbook Registers and Access Database). During our walkthrough of bank reconciliation controls, we noted the following weaknesses:

- Bank Reconciliations and monthly deposits/disbursements are approved by a Captain, not an immediate supervisor of the Business Services Manager.
- Bank statements are not reconciled to the Fiscal Department's Access Database or revenue tracker spreadsheets which are utilized to record deposits and disbursements for discretionary funds. The database/spreadsheets are used to report annual activity to the State and Fiscal Office.
- The Business Services Manager issues checks, deposits checks, updates database/spreadsheets, and performs the monthly bank reconciliation. All activities indicate a control weakness with segregation of duties as custody and recording duties should be separated.

DIA selected all bank reconciliations within our audit period (January 1, 2011 through August 31, 2013) for control testing. See the tables below for DIA's test of control results for each bank account's reconciliation.

No Signature for Review/Approval Noted - Summary of Deficiencies

Bank Account	# of Instances in 2011/Population	# of Instances in 2012/Population	# of Instances in 2013/Population
LETf Regular	11/12	3/12	0/8
LETf Narcotics	Opened in March 2012	6/10	0/8
LETf US Marshals	Opened in January 2012	12/12	0/8
FOJ	11/12	3/12	0/8
DLEF	12/12	9/12	0/8
FESA	11/12	3/12	0/8
Transportation	12/12	3/12	0/8
Total	57/60	39/82	0/56

Not Signed in a Reasonable Time (e.g. 30 days from month end) as Reviewed/Approved - Summary of Deficiencies

Bank Account	# of Instances in 2011/Population	# of Instances in 2012/Population	# of Instances in 2013/Population
LETF Regular	12/12	9/12	0/8
LETF Narcotics	Opened in March 2012	7/10	0/8
LETF US Marshals	Opened in January 2012	12/12	1/8
FOJ	12/12	9/12	1/8
DLEF	12/12	10/12	0/8
FESA	12/12	9/12	0/8
Transportation	12/12	8/12	0/8
Total	60/60	64/82	2/56

DIA selected December 2011, June 2012, and August 2013 for substantive testing. See the following table for results. No instances were noted in testing of LETF Narcotics, LETF US Marshals, and FOJ bank reconciliations; therefore, they were not included in the table below.

Summary of Results

Bank Account	# of Stale Dated Checks (Amount)*	Bank vs. Access Database Over/(Short)^	Checks issued in subsequent month, but included in prior month's cash balance+
LETF Regular	1 (\$41.55)	(\$498.18)	2 (\$110.14)
DLEF	0 (\$0)	\$0	1 (\$1,722.25)
FESA	0 (\$0)	(\$55.00)	1 (\$3,732.90)
Transportation	2 (\$182.33)	\$0	0 (\$0)
Total	3 (\$223.88)	(\$553.18)	4 (\$5,565.29)

* The following stale dated checks were identified by DIA during the audit:

- LETF Regular Account - Check issued on 3/17/2009 for \$41.55. Payment was stopped in December 2013 during the audit.
- Transportation Account - Two checks issued on 7/2/2008 for \$48.13 and 6/8/2009 \$134.20. Payments were stopped in November 2013 and February 2014, respectively, during the audit.

^ The Access Database amount was more than the bank reconciliation cash balance due to the following checks being listed on the reconciliations' outstanding checks lists:

- LETF Regular Account - One variance was noted in the June 2012 bank reconciliation due to a check not in the Access Database that was on the outstanding checks list for \$183.18. Another variance was noted in the August 2013 bank reconciliation for a check not in the Access Database, but was on the outstanding checks list for \$315. After further review, both checks were voided and never cleared the bank.
- FESA - One check for \$55 was included on the June 2012 bank reconciliation's outstanding check list, but was not in the Access Database. After further review, the check was voided and never cleared the bank.

+Due to the timing of some bank reconciliations which were not done by month end, the Fiscal Department's monthly cash balance was inaccurate:

- LETF Regular Account - Two checks for \$71.83 and \$38.31 were issued in September, but were included in the August bank reconciliation. The bank reconciliation was reconciled to the 9/3/2013 checkbook balance, rather than the 8/31/2013 balance.

- *DLEF - One check for \$1,722.25 was issued in July 2012, but was included in the June 2012 bank reconciliation. The bank reconciliation was reconciled to the 7/6/2012 checkbook balance, rather than the 6/30/2012 balance.*
- *FESA - One check for \$3,732.90 was issued in September 2013, but was included in the August 2013 bank reconciliation. The bank reconciliation was reconciled to the 9/3/2013 checkbook balance, rather than the 8/31/2013 balance.*

The Sheriff opened a bank account called the "Drombroff Account". The account was created pursuant to an order by the Court in the Drombroff v. Cuyahoga County class action lawsuit. The bank account was opened on October 11, 2013, outside of DIA's audit period, but DIA chose to review controls in place and perform limited substantive testing. During our testing we noted the following:

- No signatures for review/approval of monthly bank reconciliations were noted for all six reconciliations (October 2013 – March 2014).
- One out of 10 checks tested had one signature from a Fiscal Department employee instead of two as a procedure noted by the Business Services Manager.
- The Access Database did not agree to the cash balance on the October 2013 bank reconciliation due to the timing of the reconciliation. One outstanding check for \$25 was issued on 11/5/2013, but included in the October cash balance resulting in a variance of \$25 in the bank to book balance.

The Office does not have policies and procedures in place for monthly bank reconciliations, including controls over reviewing and approving reconciliations (see the "Policy and Procedures Manual" finding on page 21). Lack of effective internal controls and poor segregation of duties over the monthly reconciliation process can lead to errors in the Office's records and could ultimately lead to misappropriation of monies.

Recommendation

To improve internal controls over monthly bank reconciliations, we recommend the Office address these issues and develop policies and procedures within the Fiscal Department on monthly bank reconciliations. The following, at a minimum, should be included:

- All recurring reconciling items should be reviewed. The Fiscal Department should investigate all stale checks on the outstanding check lists.
- Bank reconciliations for all bank accounts should be approved, within a reasonable amount of time (e.g. 30 days) by an immediate supervisor of the reconciling employee. Evidence of a secondary review showing that a level of authorization and review has been performed can be evidenced by initials, dates, checks marks, etc.
- Approval of monthly deposits and disbursements should be done by the Sheriff or Chief.
- The bank balance should be reconciled to the Fiscal Department's Access Database since the database is utilized to compile annual reports and records all discretionary funds' activities.

- All transactions should be included in the Fiscal Department's Access Database, including voided checks and bank fees.
- Bank reconciliations should be prepared by someone independent of the cash collection and recording functions ensuring proper segregation of duties.
- Bank reconciliations should be reconciled to the month end balance to assure monthly cash balances are accurate and bank reconciliations are consistent.

During the audit, the Office made changes recommended by DIA.

Management's Response

The above recommendations are either currently implemented or are in the process of being implemented.

Estimated Implementation Date: 6/30/17

Reconciling Revenues and Expenditures to FAMIS

An accounting system is a tool that gathers and presents all accounting transactions and account balances for an organization through various reports. It is essential to implement such a system in order to fully evaluate the status of the organization as well as make sound accounting and business decisions. In addition, an internal accounting system aids in the reconciliation process from agency transactions to the county-wide financial system of FAMIS.

During review of the internal controls over Office receipts and disbursements, it was noted the agency does have their own internal all-encompassing automated accounting system for discretionary funds. These funds are posted to an Access Database where all transactions can be reviewed by management. The Office does not have a similar system for transactions recorded in FAMIS, including Civil Department receipts. Having a system similar to FAMIS is not required of the Office since the Fiscal Office is the fiscal agent for the Office. However, the Office should be performing monthly reconciliations comparing their records of receipts, disbursements, and budget figures with those of the County-wide financial system of FAMIS. This process should be performed for all index codes assigned to the Office, including the Civil Department.

Without this reconciliation process the Office may not have a complete understanding of their financial status, fund cash balances, year-to-date receipt and expenditure totals, accounts payable and accounts receivable balances, and budgetary balance between appropriations and expenditures when making management decisions. Additionally, there is no possible way to detect posting errors into these accounts. This weakness may lead to misappropriation of funds unless detection controls are implemented.

Recommendation

In the absence of an accounting system designed only for the Office, we recommend the Office develop a methodology for reconciling their monthly receipts, expenditures, and budgetary balance to the County-wide financial system. Monthly reconciliations should be conducted by the Sheriff's Fiscal Department and should include the transactions of the Civil Department.

Management's Response

The Fiscal department does record all revenues and expenditures in a separate spreadsheet. The Fiscal staff does review FAMIS for all revenue deposits to ensure accuracy. The Fiscal department also ensures expenditures are complete and accurate by placing a "hold" on all checks issued. That way, once collected, Fiscal can review and mark "complete" on the expenditure spreadsheet. This is one of the reasons that Sheriff's Fiscal insists on mailing checks. It gives us the opportunity to review the expenditure for accuracy and completion and ensure proper mailing address.

Estimated Implementation Date: Currently a work in progress being implemented.

Chargeback Monitoring

Chargebacks are charges assessed to the Office from other agencies within the County. These charges include telecommunication charges, data processing, office supplies, copier usage, printing, space usage, and vehicle usage. Annually, approximately 88-97% of the chargebacks are for space maintenance and vehicle usage. Total chargebacks posted to Office index codes for 2011-2013 are shown in the following table:

Total Chargebacks

Year	Number of Chargebacks	Amount of Chargebacks	Total Expenditures	Percentage of Expenditures
2011	221	\$8,958,689	\$ 90,836,546	10%
2012	363	\$9,686,276	\$ 97,024,065	10%
2013	361	\$12,709,742	\$ 99,749,738	13%
Total	945	\$31,354,707	\$287,610,349	11%

DIA tested 15 transactions for each year for all chargebacks. Due to the large dollar amount of chargebacks and the risk of large variances occurring for vehicle chargebacks, DIA decided to compare all vehicle chargebacks in FAMIS to supporting documentation. All discrepancies were noted in the following table. An over charge is shown when FAMIS charges were higher than the supporting documentation.

Support vs. Charged Variances

Year	Type	Charge per FAMIS	Charge per Supporting Documentation	Variance (Undercharged)
2011	Data Processing	\$483,014	\$482,510	\$504
	April Mail Charges	\$712	\$1,077	\$(365)
	Space Maintenance	\$7,641,277	\$7,521,273	\$120,004
	Vehicle Chargeback	\$500,346 [^]	\$473,263	\$27,083
2011	Total	\$8,625,349	\$8,478,123	\$147,226
2012	Data Processing	\$641,993	\$642,072	\$(79)
	August Mail Charges	\$890	\$911	\$(21)
	Space Maintenance	\$8,019,891	\$8,942,111	\$(922,220)
	Vehicle Chargeback	\$728,153	\$765,399	\$(37,246)
2012	Total	\$9,390,927	\$10,350,493	\$(959,566)
2013*	June First Communication	\$1,408	\$1,258	\$150
	June Centrex	\$ 18,758	\$ 18,806	\$(48)
	Vehicle Chargeback	\$ 486,935	\$ 491,923	\$(4,988)
2013*	Total	\$507,101	\$511,987	\$(4,886)

[^] - Includes amount charged in FAMIS of \$31,364 in June without support documentation.

* - Chargebacks were tested through the end of the audit period, August 31, 2013.

In addition to the table above the following was noted in regards to vehicle chargebacks:

- In January 2011, \$25,575 was charged to the wrong Sheriff index code by Public Works according to supporting documentation maintained by the Sheriff.
- A keying error by Public Works for April 2011 mileage resulted in a \$5,000 under charge. This error was never detected nor fixed as of the audit in 2014.

- For June 2012 vehicle chargebacks, Public Works charged \$37,246 less than shown on the Sheriff's supporting documentation. This variance was erroneously charged to the Board of Elections and was not corrected as of the audit in 2014.
- The 2013 vehicle chargeback variance shown in the table above is mainly due to errors when posting charges in FAMIS.
- In 2012, the rate per mile charged by Public Works was \$0.52 according to support, but DIA was told the rate from Public Works for 2012 was \$0.81. Public Works charged the Sheriff \$0.52 per mile from January – August 2012 resulting in approximately \$178,700 in undercharges. However, per the table below, DIA noted inconsistencies between support maintained by Public Works and the Sheriff from actual charges in FAMIS. DIA was unable to determine how much the Sheriff was over or undercharged.

Public Works Mileage Rates Charged Per Year	
2011	\$0.52
2012 – (1 /1 – 8/15)	\$0.52
2013 – (8/14 – 12/31)	\$0.81
2013	\$0.80

Sheriff Support vs. Public Works Charges

Date	Vehicle	Mileage usage (Sheriff's Office Support)	Mileage usage (Charged by Public Works)	Variance	Over(Under) charged
Mar-11	BHL7385	700	680	(20)	\$(10.40)
May-11	18-87	669	656	(13)	\$(6.76)
May-11	18-89	414	225	(189)	\$(98.28)
Oct-11	18-88	1,619	1,589	(30)	\$(15.60)
Feb-12	BHL6412	1,373	638	(735)	\$(382.20)
Feb-12	CMN3396	2,303	2,403	100	\$52.00
Feb-12	AYK3929	934	904	(30)	\$(15.60)
Mar-12	CMN3396	1,798	1,698	(100)	\$(52.00)
May-12	18-51	3,253	2,623	(630)	\$(327.60)
Jun-12	DRN3678	947	1,747	800	\$416.00

Jun-12	CMN3353	2,061	0	(2,061)	\$(1,071.72)
Jun-12	ELN2896	441	1,489	1,048	\$544.96
Jun-12	18-88	840	0	(840)	\$(436.80)
Jun-12	EUN4460*	576	4,836	4,260	\$2,215.20
Jun-12	FDK2027	871	861	(10)	\$(5.20)
Jul-12	DRN3678	1,368	568	(800)	\$(416.00)
Jul-12	CMN3353	741	(1,198)	(1,939)	\$(1,008.28)
Jul-12	18-88	2,029	731	(1,298)	\$(674.96)
Jul-12	FDK2027	1,340	1,350	10	\$5.20
Aug-12	BHL6371	125	473	348	\$180.96
Aug-12	18-86	111	471	360	\$187.20
Feb-13	CMN3366	266	236	(30)	\$(24.00)
Feb-13	18-85	936	909	(27)	\$(21.60)
Mar-13	CMN3366	306	336	30	\$24.00
May-13	DNW4881	1,035	935	(100)	\$(80.00)
Jun-13	DNW4881	1,380	1,480	100	\$80.00
Jun-13	18-504	3,438	2,455	(983)	\$(786.40)
Jun-13	18-85	758	728	(30)	\$(24.00)
Jun-13	AYK3929	1,520	616	(904)	\$(723.20)

* - There were no charges for this vehicle for the months prior so they were added to this month. No support was provided as proof.

DIA noted Office support indicated “N/A” on 18 vehicle reports for mileage usage over nine months of the audit period. Public Works charged the Sheriff a total of \$17,631 for mileage for those vehicles. The “N/A” indicated the Office did not confirm the amount of mileage used during the month. No procedures were in place to assure mileage is documented every month.

The Office does not receive chargeback statements from Public Works or IT. As of 2013, IT does not chargeback any data processing charges. Without receiving chargeback statements or support there is an increased risk the Office could be charged incorrect amounts or have the amount attributed to the wrong index code resulting in budget variances.

Recommendation

DIA recommends the Office request all chargeback statements from applicable agencies to monitor for reasonableness and compare to their own internal records. The Office should develop written procedures to review these charges in case of any errors in the amounts. The Office should assure mileage recorded by the Motor Pool is in agreement to the mileage recorded and charged by Public Works in FAMIS. Any "N/A"'s noted on Office support should be further investigated.

We also recommend Public Works notify all agencies of charges against their budget and provide detailed support for the chargebacks.

Management's Response

As stated above, if the CCSD was going to attempt to reconcile all the chargebacks, we would need a statement from the agency that is charging back the expense. That statement could then be reconciled to both FAMIS and to the department's internal records. Without a County policy in place directing all agencies to provide a charge back statement, it is unlikely to receive one if we request it.

Internal Controls on Federal Programs

The Office is in charge of monitoring over \$1.5 million of federal grants awarded to the Office on an annual basis. Having effective monitoring and key controls in place is crucial to the Office's daily operations. Without the appropriate controls in place, the Office is at risk of misappropriating funds and/or noncompliance with federal and state laws. Furthermore, the Office could lose future funding for grants if not properly monitored.

DIA selected three grants in FY2013 to test all revenue and expenditures. The Local Incarceration Program (LIP) is a grant for housing state inmates in the County jail. The Northern Border Initiative (NBI) is used for marine patrol overtime. The Apprehension Unit (App) is a grant utilized to pay for Apprehension Unit costs. During our substantive and control testing, we noted the following instances:

LIP

- Index codes were never requested and setup in FAMIS per grant per year until 2013 for the majority of the Office's grants. An index code for LIP was setup on 8/12/2013, one year after the start of the program. All grants were commingled within the General Fund

index codes of the Office until the index code was setup and prior period adjustments were made.

NBI

- A separate index code was never requested and setup in FAMIS for the FY2013 NBI grant until 5/27/2014, less than one month after the initial end date of the grant period (4/30/2014). This grant was commingled within the General Fund index codes of the Office until the index code was setup and prior period adjustments were made.
- No support was maintained on OT rates for Cleveland Police Department (CPD) or Lakewood Police Department (LPD) which are reimbursed for OT from the Office. DIA was unable to determine if CPD or LPD OT rates were accurate.
- Out of all 108 deputy signatures reviewed on the 27 Daily Activity Reports, one signature (0.9%) was not obtained.
- In all (100%) 27 Daily Activity Reports (reports for noting and approving NBI related OT), no Captain or Lieutenant authorized the OT worked with evidence of a signature. A Sergeant signed off on 22 of the Reports, but the Sergeant was on some Reports as working OT for the grant. In five (18.5%) of the Reports, no officer at all (Sergeant or above) authorized OT worked with evidence of a signature.
- In one (3.7%) of the 27 Daily Activity Reports, no description of the work performed was noted in the specified section of the Report. The description will help assure the Capt., Lt., and Fiscal Department that OT hours were allowable.
- No evidence of a Memorandum of Understanding (MOU) or agreement was found with LPD and CPD authorizing deputies to be reimbursed by the grant. They are written into the grant application, but the Office does not have a formal agreement as LPD and CPD could be considered sub-recipients of the grant.

The Office does not have a policy and procedure manual on managing federal grants. As of 2014, a Fiscal Officer 3 has been hired and incorporated adequate monitoring and review controls with all federal programs.

Recommendation

DIA recommends the Office develop a policy and procedure manual and include internal controls on federal programs. The manual should consider the following recommendations:

LIP and NBI

- Separate Index codes per year per grant should be requested and setup in FAMIS when appropriations are approved for the federal program. DIA noted this process was corrected during the audit due to the hiring of a Fiscal Officer 3. All grants are requested a new index code upon grant and Board approval.

NBI

- The Office should put procedures in place to confirm OT rates as shown on the Daily Activity Reports provided by the deputies. After discussion and review of support with the new Fiscal Officer 3, the Office OT rates are being monitored and she plans to obtain support from CPD and LPD for their OT rates.
- Signatures should be obtained for all deputies listed on the Daily Activity Reports for OT worked on the grant.
- An authorizing signature, preferably a Captain or Lieutenant, should be noted on the Daily Activity Reports. This recommendation is due to the prior authorizing Sergeant signing off on his own OT hours worked on the grant.
- A description should be noted on each Daily Activity Report describing the nature of the OT hours worked.
- An MOU or agreement should be developed and include monitoring controls in place by the Sheriff's Office, CPD, and LPD.

Management's Response

A policy and procedures manual for Sheriff's grant will be created taking into account the suggestions above.

Estimated Implementation Date: 12/15/18

Task Forces and Federal Agreements

Having key controls in place to assure Office task forces are appropriately reimbursed is critical to the Office's operational budget. The Office has six memorandum of understanding (MOU) agreements with the federal government, including Northern Ohio Violent Crimes (NOVCTF) and Drug Enforcement Agency (DEA) Task Forces. The Office is reimbursed for OT worked on these task forces up to a certain amount per officer per year. The Sheriff assigns special deputies to work on these federal task forces.

DIA selected two task forces from FY2013 and tested 100% of expenditures and reimbursements. The following was noted:

DEA

- All 12 months were tested for the FY13 DEA Task Force, the following was noted:
 - The reimbursement is an EFT sent directly to the Treasurer's Office. We noted the Treasurer's Office is not notified of the EFT when a request for reimbursement is made nor is the revenue receipt completed by Office employees in all 12 (100%) months. Since the Office is not completing the revenue receipt, authorization is not being made for deposit into the appropriate index code.
 - Approval by Business Services Manager or Sheriff was not noted on reimbursement statements for all 12 (100%) months.

- Reimbursement Statements were not marked "Paid" noting amount was accurately recorded in FAMIS for five (41.6%) of the 12 months.
- Seven (58.3%) months of timesheets tested did not have approval by the Deputy's/Sergeant's immediate supervisor. Out of all 88 timesheets reviewed, 12 (13.6%) of them did not have a Lieutenant's or Sergeant's signature approving overtime worked.
- Reimbursement was not requested in a timely manner after month end for December 2012. The reimbursement statement was completed on 3/18/2013 and the reimbursement was recorded in FAMIS on 3/28/13.
- Reimbursement amounts were not posted to the correct index code for all 12 (100%) months in FY13. Reimbursements were recorded in the "Law Enforcement - Sheriff" and "Deputy Lieutenants" index codes while the DEA Task Force officers were paid out of the "Deputy Unit" and "Deputy Sergeants" index codes.

NOVCTF

- All 12 months were tested for the FY13 DEA Task Force, the following was noted:
 - The reimbursement is an EFT sent directly to the Treasurer's Office. We noted the Treasurer's Office is not notified of the EFT when a request for reimbursement is made nor is the revenue receipt completed by Office employees in all 12 months. Since the Office is not completing the revenue receipt, authorization is not being made for deposit into the appropriate index code.
 - Invoice was not marked "Paid" noting amount was accurately recorded in FAMIS in four (33.3%) of the 12 months.
 - Two (16.7%) months of timesheets tested did not have approval by the Deputy's immediate supervisor. Out of all 164 timesheets reviewed, two (1.2%) of them did not have a Lieutenant's, Sergeant's, or Captain's signature approving overtime worked.
 - The pay rate used to calculate overtime earnings for reimbursement was inaccurate in two (16.7%) of the 12 months. This resulted in a reimbursement shortage totaling \$57.47. The Office never recovered this amount from the FBI.
 - Reimbursement amounts were not posted to the correct index code for all 12 (100%) months in FY13. Reimbursements were recorded in the "Law Enforcement - Sheriff" while the DEA Task Force officers were paid out of the "Deputy Unit" index code.

During our test of Office task forces, we noted an agreement with the United States Marshals Service (USMS) on USMS inmates housed at the Sheriff's jail. The Office is reimbursed per day on the number of USMS inmates in the County jail. DIA decided to test 100% of revenue and expenditures in this agreement for FY2013. Monthly, the Sheriff's Fiscal Department sends an invoice to USMS based on discussion with USMS personnel. DIA was unable to confirm invoice amounts sent to USMS due to lack of source documentation and inadequate internal controls. During this test, we noted discrepancies between the Office's inmate tracking system (IMACS) and the amount reimbursed by USMS. These discrepancies are due to the way USMS inmates are

categorized in IMACS. DIA noted there is no designation for USMS inmates as they are categorized under "Federal" along with other federal inmates. The Sheriff's Fiscal Department has no way of tracking USMS inmates unless each inmate is reviewed in detail every month. No source documentation is maintained by the Sheriff's Fiscal Department. The following instances were also noted during testing:

- The reimbursement is an EFT sent directly to the Treasurer's Office. We noted the Treasurer's Office is not notified of the EFT when a request for reimbursement is made nor is the revenue receipt completed by Office employees in all 12 (100%) months. Since the Office is not completing the revenue receipt, authorization is not being made for deposit into the appropriate index code.
- The Business Services Manager completes the monthly invoice, but approval by the Sheriff was not noted on reimbursement statements for all 12 (100%) months.

No formal written procedures have been developed by the Office in the past nor has a review of agreements been conducted on all federal agreements. Without formal procedures the Office is at a higher risk of unauthorized reimbursements or inaccurate and untimely reimbursements.

Recommendation

DIA recommends controls be put in place and a procedure manual be developed on task force and other federal agreements. We recommend the following, at a minimum, be included in the manual:

DEA and NOVCTF

- The Office should notify the Treasurer's Office when reimbursement is requested. This notice should include the name of the sender, the amount expected to be received, and the index and object code for recording in FAMIS. As of 3/12/2015, the Sheriff's Fiscal Department is sending notification emails to the Treasurer's Office.
- Approval of reimbursement statements should be evident by initials or signature from an immediate supervisor, Sheriff, or Business Services Manager.
- All reimbursements should be traced to FAMIS to assure accuracy and timeliness of posting.
- All timesheets should be approved by the immediate supervisor, Sergeant, or Lieutenant of the deputy who worked overtime prior to reimbursement requests.
- Pay rates should be reviewed and agreed to pay registers for Task Force deputies to assure the Office is accurately reimbursed for Task Force overtime worked.
- Reimbursements should be requested from federal task force in a timely manner, within 30 days of month end.
- Reimbursements should be posted to the index code in which payroll expenditures were incurred for the appropriate deputy.

USMS

- A USMS designation should be added to IMACS in order to separate USMS inmates from other federal inmates. This designation should be used for billing USMS and maintained by the Sheriff's Fiscal Department with the USMS invoice.
- The Office should notify the Treasurer's Office when reimbursement is requested. This notice should include the name of the sender, the amount expected to receive, and the index and object code for recording in FAMIS. As of 3/12/15, the Sheriff's Fiscal Department is sending notification emails to the Treasurer's Office.
- Approval of reimbursement statement should be evident by initials or signature from an immediate supervisor or the Sheriff.

Management's Response

The Sheriff's Department is creating Revenue Receipts to send over to the Treasurer's Office for EFT payments. Information included are the following: Date of Invoice, Task Force with month for invoice number (ex: 2017-ATF3), transaction amount, index and sub-object code, and fund/sub-fund. Treasurer's Office will then return revenue receipt after payment has been made with the assigned revenue receipt number. As of 1/20/2017, this method has been implemented. Also:

- ***All reimbursement invoices are signed by the Business Service Manager.***
- ***Pay rate increases from the Payroll Dept. are now e-mailed to the Sheriff's Dept. to notify of any rate changes for Deputies/Deputy Sergeants every pay week.***
- ***Supervisors will be notified to sign all time sheets prior to submission. Deputy time sheets to be signed by Sergeant of above, Sergeant time sheets to be signed by Lieutenant or above.***
- ***Reimbursements will be submitted in a timely manner, within 30 days of the end of the month.***
- ***Reimbursements are now posted in the index code SH351114- Deputy Unit, 1039-Task Force Wages.***

Estimated Implementation Date: Currently a work in progress.

Contract and MOU Maintenance

Various contracts are entered into by the Office including medical staffing, medical supplies, and jail maintenance software. The Office follows the County's guidelines on contract approval and bid requirements. Executing contracts is completed with the assistance of the Office of Procurement and Diversity (OPD). The Office also has agreements with other law enforcement agencies. These relationships are formalized in a Memorandum of Understanding (MOU).

DIA reviewed the Office's contracts and noted they were properly approved by the appropriate legislative body (e.g. Contracts and Purchasing Board). Request for Proposals (RFP) were properly placed out for bid. Of the 29 contracts the Office entered into throughout the audit period, the following was noted:

- Supporting documentation for approval of the Portable X-Ray contract, noted below, from the appropriate board could not be obtained from the Office or OPD.
- The Office did not maintain copies of the Northern Ohio Law Enforcement Task Force MOU for FY2011 through FY2013.
- Bid details and support could not be obtained from the Office or OPD for the following contracts:

Company Name	Amount	Date of Contract	Purpose
Quest Diagnostics Portable X-Ray	\$240,000	1/1/10 - 12/31/12	Jail lab work
	\$255,000	1/1/10 - 12/31/12	X-Ray services for jail medical
Annashae, First Choice, Maxim Staffing Solutions*	\$300,000	1/1/13 - 12/31/15	Agency nursing services

* One contract was awarded to three different agencies to perform the services.

In addition, DIA identified five contracts maintained by the County Information Technology (IT) Department where the Office received a portion of the service (e.g. Proware, Software House Intl. for IT support/maintenance). The Office was invoiced for their share of the contracts totaling \$184,970 from January 1, 2011 to August 31, 2013. The IT Department initiated the payment to the vendors and charged the Office's general fund for their portion of the invoice. These invoices were signed by the Sheriff's Systems Supervisor and not reviewed by the Fiscal Department nor was the expenditure reconciled to FAMIS.

Finally, the Office does not maintain a master contract/MOU list with all agreements, direct or indirect, throughout the audit period nor was there a listing of current contracts.

Without keeping copies of contracts and bid details there is an increased risk a contract could be entered into without proper approval from the appropriate Board. Furthermore, the County could be at risk of agreements being made outside expectations of management.

Recommendation

DIA recommends the Office maintain a copy of all contracts with vendors and MOU's with other agencies. In addition, the Office should also maintain a copy of all bids received from vendors and support to prove the contract was executed in accordance with State laws and County policies.

We also recommend the Office be aware of IT contracts associated with the Office. A list of all IT contracts involving the Office should be maintained by the Sheriff's Fiscal Department along with any invoices approved by the IT supervisor. Invoices should be timely reconciled to FAMIS to assure charges are accurate.

Management's Response

The Fiscal department currently does maintain copies off all contracts and MOUs that the CCSD enters into. The CCSD does maintain all supporting documents to prove that State laws and County polices are being applied and abided by. As for jail health care, other than County employees, the only contract we have that provides these services is MetroHealth.

Estimated Implementation Date: Currently implemented

Miscellaneous Revenue

The Office receives revenue from a variety of sources for services performed, items sold, or as reimbursements from other agencies. Having controls in place to assure accuracy and review of these receipts is critical to the Office's financial operations. Examples of miscellaneous receipts include the following:

- Office's share (35%) of money collected at jail lockers
- Sale of brass/lead
- Sale of pallets
- Concealed carry weapons fees
- Criminal records check fees
- Fees for use of Office vehicles
- Reimbursement from other agencies for Sheriff employee time

DIA pulled a sample of 10 transactions a year to test from January 1, 2011 to August 31, 2013. One additional transaction was tested in 2012 due to a scan of the Office's receipts and the identification of an unusual transaction from a Social Security Administration (SSA) incentive payment. The details and results of the test are shown in the following table:

Year	Total Population	Total Tested	# of Instances	Description of Instances	Projection of Instances by Total Population
2011	232 (\$2,617,831)	10 (\$19,940)	1 (\$32)	The rate charged or received by the Office was not formally agreed on between the Sheriff and Linward Electric Inc. The Office was reimbursed for the use of a car, but the rate at	0.16% (\$4,201)

				which was charged (\$4 per hour) was not formally agreed upon.	
2012	231 (\$2,059,817)	11 (\$65,621)	2 \$(22,509)	The amount received by the Office did not agree to a receipt/invoice/support 1) According to support, the Sheriff should have received \$1.65 more than the received amount from Tiburon Lockers 2) The Office received \$213.77 less than support sent to the Social Security Administration.	33.6% (\$706,549)
2013	262 (\$1,802,414)	10 (\$43,001)	1 (\$207)	No sale receipt was maintained for two pallet sales included in this revenue transaction from GM Pallet Company.	0.48% (\$8,677)
2013	262 (\$1,802,414)	10 (\$43,001)	1 (\$65)	No support was maintained nor was there an agreed upon rate at which the Office was reimbursed for the time a Sheriff Deputy spent on security at an arena football game for Arena Football One, LLC.	0.15% (\$2,725)

The Office does not have a written policy on charges for services performed and items sold by the Office. DIA also noted the Office does not review the rates or companies/individuals to which they sell items like pallets and scrap metals.

Failure to have written procedures could result in loss of revenue or misappropriation of assets for services provided by the Office and sales of items. Furthermore, the risk of charging an unauthorized rate, for services and sales of pallets and lockers, increases without proper controls in place. Finally, the Office could benefit from a periodic review of rates and research of companies/individuals willing to pay more for various items.

Recommendation

DIA recommends the Office implement a formal policy and procedure manual on miscellaneous revenue. The following, at a minimum, should be included in the policy:

- All receipts provided from other agencies should be reviewed and signed off by a supervisor for accuracy and completeness.
- All receipts should be reconciled to FAMIS on a weekly or monthly basis.

- All rates charged for services and various items should be approved by the Sheriff in a fee schedule and enforced. This includes:
 - Reimbursement from other agencies for Sheriff employee time.
 - Vehicle usage.
 - Sale of pallets.
 - Sale of brass/lead.
- A periodic review of rates charged for services and rates on items sold.
- A periodic review of companies/individuals used for selling items. This review is necessary in order to seek other companies/individuals willing to pay more than current companies/individuals.

Once the policy is drafted, it should be reviewed and approved by the Sheriff and/or County Council.

Management's Response

The CCSD no longer sells pallets due to the fact that all pallets currently used are plastic and not wood. The vendors always pick up the empty pallets when they deliver full pallets. The indoor gun range is no longer in use, so there are no more sales of brass/lead.

Reimbursement for employee time is the current hourly cost to the CCSD for that employee. Reimbursement for vehicle usage is the currently cost imposed on the CCSD by public works for vehicle charge backs.

Estimated Implementation Date: Currently implemented

Discretionary Funds Expenditure Approval

The Office is responsible for depositing and disbursing discretionary funds for the benefit of the Office. These funds include the following:

- DLEF
- FESA
- FOJ
- LETF (Regular, Narcotics, and Marshals)
- Transportation Fund

Having controls in place to assure discretionary funds are utilized in an appropriate manner according to ORC regulations and Office policies is essential to the Office's daily operations.

During testing of Discretionary Fund disbursements, we found instances where LETF, FESA, and FOJ funds were not signed to approve appropriate use of discretionary funds. Instances are noted in the following table.

Year	Total Population (\$)	Sample Size (#)	Sample Size (\$)	# of Instances	\$ of Instances	Projection of Instances to Total Population
2011	\$675,205	30	\$58,531	10	\$11,486	19.6% (\$132,501)
2012	\$439,257	25	\$90,999	9	\$6,349	7.0% (\$30,647)
2013	\$67,868	17	\$36,146	4	\$728	2.0% (\$1,367)

Note: 2013 data is up to the end of the audit period (8/31/2013)

The Office has an internal written control policy, but it is not regularly followed nor does it specify disbursement authorization of all discretionary funds. The Sheriff gave verbal approval for payment of certain reoccurring disbursements to the Fiscal Department.

Without proper approval for discretionary fund disbursements there is an increased risk of using the incorrect fund. Furthermore, funds could be used for a reason outside of management expectations or not in compliance with federal, state, or local laws.

Recommendation

DIA recommends the Office develop a new, or enhance their current internal control policy regarding discretionary funds. Included in these policies should be the steps necessary to make deposits, disbursements, track, reconcile, and report all discretionary funds. These policies should be approved by the Sheriff and/or County Council.

See the "Written Internal Control Policy" finding on page 14 for more details on developing a new policy.

Management's Response

Both the Law Enforcement division and the Fiscal division are addressing this, with the assistance of Lexipole. We have already addressed the matter(s) of segregation of duties and review and approval.

Estimated Implementation Date: Currently being addressed and is a work in progress.

Buy/Maintenance Money

Narcotics maintains a log of all buy-and-maintenance money. Buy money is a petty cash fund used out of the LETF and FOJ funds to conduct drug buys. Maintenance money is used out of the same funds for extraditions and emergency supplies. Buy money and maintenance money are kept separately. All receipts and cash are maintained in buy-and-maintenance files within a safe in Narcotics. Documenting control activities for buy-and-maintenance money will ensure

consistency in the operations of Narcotics and the Office. Developing efficient procedures for buy-and-maintenance money are essential in the daily operations.

Narcotics appears to have procedures in place for logging and reconciling buy-and-maintenance money; however, not all these procedures have been formally documented. The Office receives FOJ money (half of the Sheriff's salary) at the beginning of each year from the County's general fund and deposits the money in a Sheriff's Office owned bank account. If the Sheriff does not use all of the FOJ money by the end of the calendar year, the money is returned to the County's general fund. A portion of the FOJ money is withdrawn to be used as buy-and-maintenance money by Narcotics. FOJ money is exhausted before Narcotics begins to use LETF money for buy-and-maintenance activities. LETF money is from the proceeds of forfeited property or forfeited cash from law enforcement activities. This money is also deposited in a Sheriff's Office owned account, but does not have to be returned to the County's general fund at year-end. Narcotics separately tracks FOJ buy-and-maintenance money from LETF buy-and-maintenance money.

Due to the theft of evidence monies by a former Captain in Narcotics, DIA performed control and substantive tests of buy-and-maintenance money from 2009 to 2013. At the time of the audit Narcotics performed the following procedures to obtain, track and return LETF and FOJ buy-and-maintenance funds:

1. In January, request FOJ funds for buy-and-maintenance activities from the Sheriff's Fiscal Department. The request is made by email from a Lieutenant or Captain in Narcotics. The Business Services Manager issues the check for "cash" authorized by the Sheriff. Two employees from Narcotics cashes the check. The cash is secured in a safe in Narcotics after a FOJ buy log and FOJ maintenance log are created noting the beginning balance and date.
2. When FOJ funds are exhausted, normally after April, LETF funds are requested in the same manner. Separate logs are established for LETF buy-and-maintenance funds, as well. Any funds remaining at year-end are deposited into the necessary bank account, usually LETF.
3. Throughout the year, buy-and-maintenance funds are deposited and withdrawn from the safe for activities noted above. A Narcotics Sergeant or Lieutenant signs the log authorizing the deposit or withdrawal and notes the following:
 - a. Date
 - b. Amount deposited or withdrawn
 - c. Amount spent
 - d. Ending balance
 - e. Description of transaction
 - f. Deputy receiving the cash.
4. When funds are insufficient for a drug buy-and-maintenance money can cover the buy, Narcotics performs a transfer from the buy to the maintenance log. Narcotics must assure LETF and FOJ money is not comingled. The transfer from a buy log to a maintenance log, or vice versa, must be derived from the same discretionary fund, LETF or FOJ.

5. When maintenance money is withdrawn, the deputy receiving the cash returns with change left over and a receipt to support the extradition or supplies purchased. When buy money is withdrawn, the deputy receiving the cash returns with a signed form from the drug buy. Signatures are obtained by two Sheriff employees and the confidential information (CI) performing the buy.
6. The FOJ and LETF buy-and-maintenance logs are reconciled on a monthly basis by two employees in Narcotics with at least one being a supervisor. Each log (four total of FOJ buy, FOJ maintenance, LETF buy, and LETF maintenance) contains a beginning and ending balance and all transactions. The employees reconcile the transactions to the receipts maintained and compare the ending balance to the cash remaining. Two signatures are noted on each log when the reconciliation is complete.
7. At year-end, logs are stored in a safe in the Narcotics Lieutenant's Office. Two files (originals and copies) of each buy-and-maintenance log are maintained. All originals are kept in a separate folder from the copies, but both folders are kept in the same safe in the Narcotics Lieutenant's Office.

During a walk-through of the procedures noted above DIA noted the following control weaknesses:

- Narcotics does not maintain any support (copies of checks or emails of request) in the buy-and-maintenance folders when cash is stored in the safe. DIA was able to review support maintained in the Sheriff's Fiscal Department that consisted of emails from Narcotics and copied checks.
- Narcotics notes all buy-and-maintenance activity in pencil on the logs, which increases the risk of unauthorized changes.
- Approval of transfers from and to LETF or FOJ buy-and-maintenance logs were not authorized by signatures.
- No minimum or maximum cash balance has been established for buy-and-maintenance money.
- Supervisors performing monthly reconciliations have access to the safe. There is no evidence of approval on monthly log reconciliations by a supervisor who does not have access to the money.

DIA performed control testing on monthly log reconciliations. DIA reviewed every month from January 2009 through August 2013 (56 months total). The following table displays our findings.

Months Two Signatures were not Noted					
Log	2009	2010	2011	2012	Thru 8/2013
FOJ Buy	4	4	1	2	-
FOJ Maintenance	5	5	2	2	-
LETF Buy	7	6	4	-	2
LETF Maintenance	4	4	-	-	2
Total	20	19	7	4	4

During review of FOJ and LETF maintenance logs and support the following was noted in 27 transactions tested from January 1, 2011 through August 31, 2013:

- Four transactions had ending balances improperly calculated after money from the maintenance funds were spent. This resulted in approximately \$70 more noted in the log than what was actually in the safe. These errors were eventually corrected in the log during the reconciliation processes, but no reasons noted.
- 22 transactions failed to have authorization for release of the funds totaling \$2,210 in funds withdrawn.
- Two transactions failed to note who received the funds totaling \$155 in funds withdrawn.

DIA also reviewed LETF and FOJ buy-and-maintenance logs for accuracy with the LETF and FOJ bank activity. When logs are closed out and balances remain, the balance should be deposited into the respective bank account (FOJ or LETF). DIA noted instances where LETF money and FOJ money were commingled during review of buy-and-maintenance logs:

- Narcotics did not properly close the LETF maintenance fund in the log to begin using FOJ maintenance money in April of 2013 consisting of \$286 of LETF funds. Another instance occurred in February of 2011 consisting of \$305 of LETF funds. In both instances, Narcotics comingled LETF funds with FOJ funds instead of creating a new log for FOJ funds. The total amount of \$591 was erroneously deposited into the FOJ bank account at year-end.
- An exception also occurred in October of 2009 totaling \$45 of FOJ funds. These funds were not appropriately closed out and deposited in the FOJ bank account. They were erroneously recorded with LETF funds and deposited into the LETF bank account.
- Finally, we noted an instance where \$5,000 was withdrawn from the FOJ bank account in June of 2009 and recorded with LETF buy money. See a summary of results noted in the below table.

Date of Occurance	Amount	Bank Account Withdrawn From	Log Recorded In	Bank Account Deposited In at Year End
April 2013	\$286	LETF	FOJ	FOJ
February 2011	\$305	LETF	FOJ	FOJ
October 2009	\$45	FOJ	LETF	LETF
June 2009	\$5,000	FOJ	LETF	LETF
FOJ Less LETF	\$4,454	To be transferred from LETF bank account to FOJ bank account		

During audit fieldwork, Narcotics and the Sheriff's Fiscal Department were in the process of fixing the error by depositing LETF money of \$4,454 into the FOJ bank account.

In addition, DIA performed a surprise cash count and noted three extra envelopes were maintained in the safe with the LETF and FOJ buy-and-maintenance money. One envelope containing \$3 was proven to be the ending balance of the 2011 FOJ maintenance money which should be deposited into the FOJ bank account. The other two envelopes of \$6.10 and \$1.27 (totaling \$7.37) could not be traced to either LETF or FOJ buy-and-maintenance logs. DIA also

noted an instance where the 2011 ending balance in the FOJ buy money was not deposited until July 2013.

Narcotics use CIs for information and to perform undercover drug buys in order to gather evidence of illegal drug activity. Narcotics use LETF and FOJ buy money to perform drug buys and pay CIs for information on illegal drug use. Each CI has a folder in Narcotics and is required to complete documentation to register as a CI. Documentation includes a Liability Release, Conduct of Cooperating Individual Agreement, and a Confidential Informant Agreement. The CI is required to provide fingerprints and handwriting samples. DIA tested 55 transactions of FOJ and LETF buy money logs and support from January 1, 2010 through August 31, 2013. In addition to information noted in step 3 above, buy money logs should also contain the CI's number and Sheriff's Office case number. The following instances were noted:

- Informants in 49 transactions were not properly signed up as a CI, meaning documentation was missing or no folder was found for the CIs.
- Information, like dates, Narcotics personnel, CI name, amount, case number on support did not agree to information written on the log for seven transactions.
- The buy money log in 15 transactions was not completely filled out (dates, case number, CI number, amount spent, etc.).
- In five transactions totaling \$2,030, CI signatures on supporting documentation did not appear to match the signature in the CIs' files or the CIs' handwriting samples were not completed making it difficult to compare signatures.
- DIA was unable to confirm a buy or payout was justified through review of the case files in 26 transactions totaling \$8,280. We were unable to match dates, amounts, or descriptions with search warrants or any other type of activity in case files.
- During review of CI payouts for information, we noted formal written documentation of payout rates for information or buys has not been established. Each CI receives an amount determined by Narcotics at the time of the payout.

At the request of management DIA tested an entire year's worth of buy money and payment documentation to determine instances where the CI and/or two Narcotics personnel did not sign supporting documentation for the CI payout. During a review of 2011 buy money documentation (215 transactions) the following was noted:

- 20, totaling \$7,035, did not have two signatures from Narcotics personnel on supporting documentation for the payout.
- 13, totaling \$180, had two signatures from Narcotics personnel, but DIA was unable to determine the identity of one or both of the signees.

Failure to have a complete policy of written guidance on buy-and-maintenance money may result in actions being performed outside of management's expectations and state laws. Furthermore, buy-and-maintenance funds may be more susceptible to misappropriation leading to noncompliance with the ORC, if not properly managed.

Recommendation

DIA recommends Narcotics develop a formal written policy on all LETF and FOJ buy-and-maintenance money procedures. The following, at a minimum, should be included:

- A column should be added to the log for recalculating available balances during monthly reconciliations of maintenance and buy money.
- Immediate supervisor approval of the logs should be performed for every transaction.
- Monthly reconciliations should be done by a supervisor without access to the buy-and-maintenance money. Monthly reconciliations and approvals should be noted with signatures or initials.
- Narcotics should maintain copies of checks and any other supporting documentation for deposits into buy-and-maintenance money logs.
- Signatures for deposits into the buy-and-maintenance files should be documented on the logs.
- Narcotics should continue to maintain originals and copies of the buy-and-maintenance files; however, both should be stored in separate locations.
- Approval with signatures should be noted on the buy-and-maintenance logs when money is transferred in and out between buy-and-maintenance funds. All transfers should be accounted for in both logs.
- Narcotics should consider documenting the buy-and-maintenance logs in ink instead of pencil. If an entry needs to be modified, the change can be made noting approval, by signature or initials, of the person making the change.
- Establishment of maximum and minimum balances in the buy-and-maintenance accounts.
- All monies in the buy-and-maintenance safe should be deposited into the correct bank account in a timely manner when the logs are closed out. The only money in the safe should consist of the current balance for buy-and-maintenance money.

For LETF and FOJ maintenance money only, the following should be included in the written policy:

- The log and supporting documentation should note the person receiving the funds and the person authorizing the release of the funds.

For LETF and FOJ buy money only, the following should be included in the written policy:

- Payout rates should be established for each buy and payout rates for each type of information given.
- All special employees who receive money for buys or information should be signed up as a CI with proper documentation. Specifically, the Confidential Informant Agreement,

Liability Release, Conduct of Cooperating Individual, and handwriting sample should be completed prior to using or paying a CI.

- All support and log entries should be accurately completed with dates, CI names, case numbers, case officers, and amount of money given and returned.
- CI's should always sign when buy or payment money is received.
- Two members of the Office should sign as witnesses for money given for buys and payments. Signatures should include badge numbers as well.
- Case files should be used as confirmation that money was given to a CI for the reason indicated on the log. This review should be done by a supervisor bi-annually.

Finally, Narcotics should have controls in place to assure compliance is met with ORC sections for LETF and FOJ funds by accounting for them separately in the maintenance and buy files. Narcotics should also pay the FOJ account \$4,454 from the LETF account based on DIA's findings during the audit.

Management's Response

A formal written policy should be written by the Narcotics supervision team regarding all LETF and FOJ buy-and-maintenance procedures. This policy should be in place by June of 2018. Also cross training will be implemented so as information and policy is passed on from supervisor to supervisor. The policy will state that there is a separation of funds and the fiscal office will notify the narcotics department which funds to use for Buys and Maintenance. Currently, two folders are maintained for buy money and maintenance money. One is held in the safe located in the narcotics supply room and the other is located in the Lieutenants office. When currency is low and needs to be replenished a request for additional money is made to the Lieutenant or Captain. The Captain notifies the Fiscal Officer and informs him/her that additional monies are needed. At this time the fiscal officer should inform the Captain/Lieutenant when to make contact with the bank and also inform them which funds the money is being retrieved from. This information will then get passed down the chain of command, preferably in person and by email. A posting should also be put on the safe in the supply room. This will ensure that the correct paperwork is filled out by detectives when submitting buy paperwork or receipts and reports into the maintenance file. At the beginning of each month the books (buy funds and maintenance funds) are balanced by the sergeant in the unit and at least one other supervisor or detective in the narcotics unit. Copies of the Buy File and Maintenance fund sheets are made when balancing the books. Copies are left in the balanced month folder in the supply room and the original is moved to the folder in the Lieutenants room. All corresponding paperwork in the folders (buy-and-maintenance paperwork) should mirror each other in both locations. In the event a mistake is made, no white out is used. It has been an unwritten policy to cross out the mistake and initial it and put the new balance in the recalculation column. All entries in the sheets are done by a supervisor and have initials showing money out or deposited.

All special employees who receive money for buys or information are signed up as a confidential source with proper documentation. Specifically, the confidential informant agreement, liability release, conduct of cooperating individual and hand writing sample are completed prior to monies being used for buys or information, circumstances permitting. CI's always sign when buy money or payment is received with a signature and fingerprint. Two members of the office sign as witnesses for the money given for buys and payments including badge numbers. All support and log entries are accurately completed with dates, CI names, case numbers, case officers, and amount given and returned. Currently copies of buy and payment paperwork are being placed into the Confidential Informants file/sign up file. An informant is given a sign up number that the unit currently maintains in the CI folder (maintained in the supply room safe). This CI number will follow the informant indefinitely. This will help the unit in determining the rate of pay he/she receives based on the paperwork in his file.

Inventory Control

Each department within the Office is responsible for tracking and reporting their own inventory to the Sheriff's Systems Department (Systems) on an annual basis. The Office also has an Inventory Control Department responsible for receiving and tracking items for the jail. Systems is responsible for receiving and placing into service technology based items, e.g. computers, cameras, phones, etc. Having effective monitoring and review controls in place is critical to the Office's inventory control. Failure to track and review inventory items could lead to an increased risk of theft and misappropriation of assets.

DIA obtained the Office's 2013 inventory list from Systems. This list (population of approximately 4,630 items) includes computers, printers, cameras, chairs, cabinets, and desks. We attempted to trace 128 items from the location to the list and vouch 152 items from the list to the location (sample size of 280). The following table displays our results.

Discrepancy	Number of Items w/ Discrepancies	Items - Location
Items Found with Tag Numbers not Found on List	11	Cabinets - Office's Conference Room. TV - 3rd Floor. Table and Two Chairs - Second Floor Waiting Room. Compressor, EKG Machine, and Cart - Medical Unit. Two TV's - Jail II. Infrared Speed Gun – Juvenile Center

Items Serial Numbers Swapped	2	Two Crown Victorias - Motor Pool
Items Could not be Found	7	Two Portable Radios - Inventory Control. Typewriter - Sex Offender Unit. Two Cannon Cameras, Iris Camera, and Ethernet Hub - Systems
Tag number not Noted on Inventory List	4	Shredder - Administrative Office. File Cabinet - Warden's Complex. Desktop Printer and Recorder - Radio room
Items Found in Different Location than Noted on List	6	Cannon Camera – Arraignments. Iris Camera - Bureau Annex. Iris Camera – Jail. Two Portable PCs and Cart - Medical Unit
Items did not have a Tag	2	Compressor - Medical Unit. Polaroid Camera - Criminal Records/Warrants
Total	32	11% Non-Conformance (32÷280)

DIA also obtained the Office's 2013 Firearm Inventory list from Systems and Protective Services. This list (population of approximately 760 items) includes firearms assigned to deputies and stored in a location. We attempted to trace 35 items from the location to the list and vouch 43 items from the list to the location (sample size of 78). The following table displays our results.

Discrepancy	Number of Items w/ Discrepancies	Items -Location
Items Found were not on Inventory List	1	M-16 Rifle - Range Weapon Storage Room
Items Found in Different Location than Noted on List	1	Swat Armory Gun Butt - Range
Butt Number on Inventory List was not Found on Butt of the Gun	1	Shotgun - Apprehension Unit
Total	3	4% Non-Conformance (3÷78)

DIA also noted during review of the 2013 inventory list, 86 Televisions on the inventory list noted as being in the jail lacked detailed information. Only the following information was noted on the inventory list for the 86 TVs:

- Eight TV's (9%) only had Office inventory labels listed.

- Five TV's (6%) only had serial numbers listed.
- 53 TV's (62%) only had brand names listed.
- 20 TV's (23%) had no information listed other than a location.

In addition, during our walkthrough in the Inventory Control Department in the jail, we noted the Department failed to monitor and track each TV after receipt. Only the size of the TV is recorded on the receiving log while no brand names or serial numbers are recorded. TV's are placed in an inventory control room until a new TV is needed in the jail. TVs could not be matched to a purchase order, invoice, or receiving document.

Finally, three refrigerators from the Jail Kitchen were disposed during our audit period, but no support was maintained on the method of disposal. No documentation is kept for items scrapped or disposed.

There is no formal policy manual that provides Office departments with uniform inventory procedures on how items should be documented, monitored, and disposed. Without formal inventory procedures in place the receiving, transferring, and disposal of inventory items could go unauthorized leading to theft or asset misappropriation.

Recommendation

DIA recommends the Office establish formal policies and procedures to address the issues noted during inventory testing. These policies and procedures should include, but are not limited to the following:

- Sheriff's Inventory Control and Systems Departments should record as much detailed information as possible on the inventory list for items received. This may include:
 - Date received.
 - Quantity received.
 - Brand name.
 - Serial number.
 - Date item picked up and by whom.
- Departments should place Office inventory labels on all fixed assets, if possible. If not possible or practical to place inventory labels on items, the description of the item should be as detailed as possible on the inventory list.
- If items are disposed of by the Office, a record should be maintained noting the date and method of disposal as well as supervisor approval for the disposal.

Management's Response

The Systems Department no longer manages the inventory control. Vehicle inventory is managed by Public Works. This past year CCSD updated our annual submission to the County's Fiscal Office to ensure compliance with the Cuyahoga County Administrative Code for Inventory Policy. The County's Fiscal Office provided a template for the information required and each

Department submitted their inventory on the template. The template included a space for a detailed description, location of the item, disposition, and signature line for the department head to verify the information on the report. All Department reports were compiled and submitted to the County's Fiscal Office in one spreadsheet from CCSD.

The jail televisions and Firearms will each be maintained on a separate template to be included in the overall CCSD submission. The Sheriff's Department will draft policies and procedures for Inventory Control/Disposal.

Estimated Implementation Date: 12/15/2018

Firearm Storage

The Office stores various weapons within some departments like the Patrol Unit, Narcotics Unit, and Juvenile Center. These weapons are not assigned to anyone but are available for use by employees of each department. Employees are allowed to access weapons as needed for emergencies or general field work.

During a review of the Office firearms and storage locations, DIA noted there are no sign out procedures when weapons are taken out of storage. Without some form of sign out, or more periodic inventories, there is an increased risk weapons could be misplaced in an unauthorized location or be used for unwarranted purposes.

Recommendation

DIA recommends the various departments within the Office create a log out procedure for all weapons in storage. The log should include, at a minimum, the following:

- Officer's name.
- Officer's signature.
- Date taken.
- Weapon Released.
- Date returned to the safe.

The commanding officer for the department should review, as noted by a signature, the log on a regular basis and assure weapons are properly being utilized. In the case of an emergency when weapons cannot be signed out, the commanding officer should perform an audit of the department's firearms to assure all weapons have been properly returned.

If these procedures are unable to be performed, we recommend an inventory of all the firearms in storage be done at least once a month instead of annually.

Management's Response

A policy and procedure manual will be implemented in June 2018 by the Range/Training officer taking into considerations the audit recommendations.

Impact Unit Evidence Control

The Impact Unit is a special branch of Office Deputies. Within their office is a safe utilized to store evidence during after-hours or if the item is too large to fit into an evidence room drop chute in the Detective Bureau.

During a walkthrough and discussion with the Impact Unit it was noted no log is maintained of items temporarily stored in the Impact Unit safe.

It has never been required to keep a log of items entered into the safe. Without a formal log to record evidence maintained in the safe there is increased risk evidence could be misplaced or chain of custody could be broken.

Recommendation

DIA recommends the Impact Unit begin utilizing a log of items maintained in the safe. The log, at the minimum, should include the following elements:

- Name of person entering evidence into the safe.
- Date evidence was entered.
- Description of evidence.
- Date evidence was removed from the safe.
- Location of where evidence was moved or name of party receiving evidence transferred.
- All custody changes should require signature before being moved.

Management's Response

A policy and procedure manual will be implemented in June 2018 by the Range/Training officer taking into considerations the audit recommendations.

Warrants & Records Identification Review

The Warrants & Records Department performs record checks for citizens at a cost of \$6.00. A simple record check identifies if a person has an arrest record. These payments are typically made in cash. There is no charge for the record check if the requesting individual is a senior citizen who is a resident of Cuyahoga County or a member of a government or law enforcement agency.

Support to prove the record check requestor was a senior citizen or a member of a government agency is not maintained by the cashiers performing the record check. The Warrants & Records Supervisor is unable to confirm the no-charge was valid while reviewing daily transactions.

It has never been required that cashiers maintain support for no-charge transactions. The Department is at risk of fraudulent activities, such as theft, if documentation is not maintained on a no-charge record check. The opportunity for a cashier to collect cash for a record check, record the transaction as a no-charge, and skim the cash is increased without proper review for no-charge record checks.

Recommendation

DIA recommends the Warrants & Records Department develop a policy requiring record check cashiers to maintain valid identification for no-charge transactions. The supervisor should review all daily transactions and assure adequate supporting documentation is maintained. The policy should also cover how this information will be safeguarded, how long it will be maintained, and how it will be properly disposed.

Management's Response

A policy is currently in development to address the concerns that DIA outlined and to implement DIA's recommendations.