

# CORRECTIONS INMATE PAYMENTS ASSURANCE ENGAGEMENT

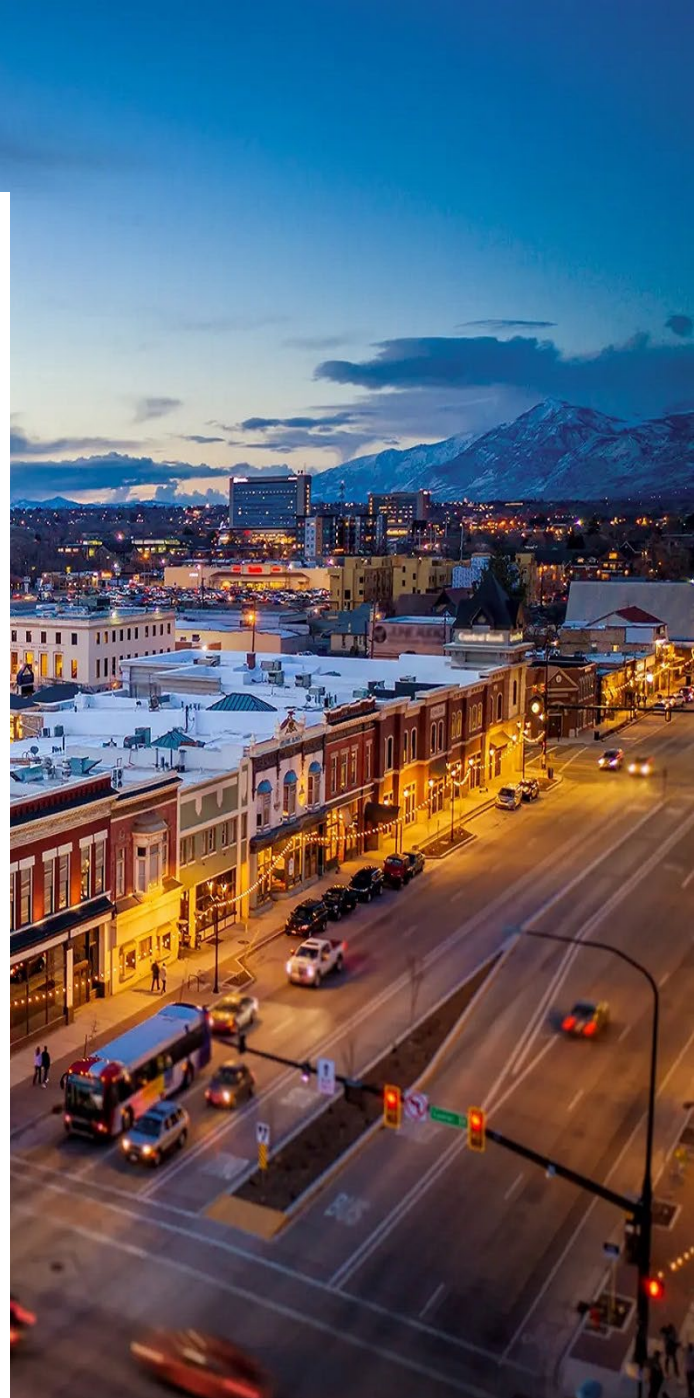
Report No. AE-2024-8

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OCTOBER 14, 2024

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Utah County Auditor Internal Audit Division  
Internal Audit Manager: Calvin Bergmann, CIA, MPA  
Senior Internal Auditor: Mont Wade, CIA



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# AUDITOR'S LETTER



## Office of the County Auditor Internal Audit Division

October 14, 2024

Sheriff Mike Smith  
Utah County Sheriff's Office  
3075 North Main Street  
Spanish Fork, Utah 84660

Dear Sheriff Smith:

The Internal Audit Division ("Division") performed an assurance engagement of Corrections Division inmate payments. During this limited review, we performed the following procedures:

1. Tested policy and procedures existence.
2. Tested a sample of County Financial Information System ("COFIS") General Ledger account 273-42730-1500 payments for: inmate legitimacy, appropriate payment timeframe, recording accuracy, adequate supporting documentation, and amount validity.
3. Tested a sample of COFIS General Ledger account 610-44610-1500 payments for: inmate legitimacy, appropriate payment timeframe, recording accuracy, adequate supporting documentation, and amount validity.
4. Tested a sample of COFIS General Ledger account 620-42620-1500 payments for: inmate legitimacy, appropriate payment timeframe, recording accuracy, adequate supporting documentation, and amount validity.
5. Tested a sample of COFIS General Ledger account 620-42621-1500 payments for: inmate legitimacy, appropriate payment timeframe, recording accuracy, adequate supporting documentation, and amount validity.
6. Tested a sample of COFIS General Ledger account 630-44630-1500 payments for: inmate legitimacy, appropriate payment timeframe, recording accuracy, adequate supporting documentation, and amount validity.

7. Tested a sample of external employer payments made via check via external accounting firm for: inmate legitimacy, appropriate payment timeframe, recording accuracy, adequate supporting documentation, and amount validity.
8. Tested internal employment and external employment inmate payment separation of duties adequacy.

The Division discovered one finding during the engagement. For finding(s) and/or other matter(s), we provide recommendations to improve the Corrections inmate payment control environment. Finding and other matter numbering is correlated with the procedures listed above.

Note that our report, by nature, disproportionately focuses on weaknesses. This does not mean there were not strengths within the areas reviewed and other areas not reviewed. For example, we were informed the Sheriff's Office Business Manager is completing bank reconciliations for the Corrections Commissary bank account/Lockdown accounting system, an essential detective control. Additionally, the Corrections Division previously collaborated with Budget Division staff to draft Commissary policy and procedures for all financial operations, including commissary inmate release payments. In the *Finding(s) and Other Matter(s)* report section, we recommend this also be completed for the specific inmate payments tested during this engagement.

The Division appreciates the courtesy and assistance extended to us by Corrections Division personnel during the engagement process. We look forward to a continuing professional relationship.

Sincerely,

Utah County Internal Audit Division

CC: Rodney Mann, Utah County Auditor, Utah County Audit Committee Chair  
Matthew Higley, Chief Deputy, Corrections Division, Utah County Sheriff's Office  
Shaun Bufton, Under Sheriff, Utah County Sheriff's Office

## FINDING(S) & OTHER MATTER(S)

### Finding 1.1: Nonexistent Policy and Noncomprehensive Procedures

#### Condition

Acknowledging that the Corrections Division has an *Inmate Workers* undated document containing limited written procedures for “Inmate Workers” and “Inmate Annex Workers,” we find (1) no policy regulating inmate payments and (2) noncomprehensive inmate payment procedures.

#### Criteria

Per the United States Government Accountability Office’s (“GAO’s”) *Standards for Internal Controls in the Federal Government*: “Management should implement control activities through policies.”

Because the *Inmate Workers* document does not include “why” language (i.e., policy main objectives), primary audience, and applicable situations/restrictions, we do not consider the *Inmate Workers* document a policy that regulates inmate payments.

Because the *Inmate Workers* document does not comprehensively include all process steps and which job titles perform which duties (i.e., delineating each step’s “who,” “what,” “where,” “when,” and “why”), we do not consider the *Inmate Workers* document a document that contains comprehensive procedures, including control activities, that regulate inmate payments.

#### Cause

Historically, Corrections management did not prioritize drafting comprehensive written policy and procedures. Until recently, Corrections management has not prioritized resources, nor sought Budget Division assistance, to develop comprehensive inmate payment policy and procedures.

#### Effect

Accounting records have an increased likelihood of inaccuracy, asset misappropriation has an increased likelihood of occurrence, employees have decreased process knowledge and decreased process execution accountability, and management have a decreased likelihood of understanding and consistently enforcing adequate internal controls. Ultimately, management has decreased assurance that entity objectives (e.g., effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations) will be achieved.

**Recommendation**

We recommend management seek the assistance of Budget Division staff to develop written comprehensive inmate payment policy and procedures, expanding on the current limited inmate payment procedures and recently drafted (but unadopted) overall Commissary financial operations policy and procedures.

**MANAGEMENT RESPONSE(S)**

**Finding 1.1: Nonexistent Policy and Noncomprehensive Procedures**

**Management Response**

Recommendation	Agree/Disagree	Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
We recommend management seek the assistance of Budget Division staff to develop written comprehensive inmate payment policy and procedures, expanding on the current limited inmate payment procedures and recently drafted (but unadopted) overall Commissary financial operations policy and procedures.	Agree	We will follow the advice given in this report and ask for assistance from the Budget Division in writing policies and procedures.	Heidi Long, Office Coordinator, Jail Programs	03/01/2025

\*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.