Audit Report
Sheriff Office –
Jail and Minimum Security Kitchen
Annual Inventory Audit – FY2015
Status: Preliminary

For action:		**For information:**	
Terry Box	Sheriff	Jeff May	County Auditor
		Linda Riggs	First Assistant Auditor

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Report Summary

As part of the End of Year procedures, an inventory audit of the Sheriff Office – Jail and Minimum Security Kitchen was conducted.

The overall objective of the audit was to provide assurance that county assets were intact and accounted for and that internal controls are in place to ensure:

- Inventory recorded in the financial records exist, is accurately reported, and adequately safeguarded
- The operations of the office conform to prescribed procedures
- Exposure to potential risk is minimized

The audit scope included a count of all inventory on hand at the end of the fiscal year and a review of inventory procedures and internal controls.

Refer to the Observations and Recommendations section for the results of the audit.

This review was not intended to provide absolute assurance on all procedures, activities, or controls. We will continue to examine aspects of the office in compliance with statutes and to provide reasonable assurance that County assets are safeguarded and appropriately managed.

An exit conference with the Sheriff was held on 01/06/16 to discuss this report.

The time and assistance provided by the Sheriff Office – Jail and Minimum Security Kitchen in completing this audit is greatly appreciated.

Observations and Recommendations

Observation	Recommendation	Management Response
FINDING NUMBER:		
Condition: The perpetual inventory and the physical inventory total values are unequal. We counted 100% of the 227 total items listed on the Justice Center/Kitchen Inventory valued at $94,447.57. The physical inventory count was less than the perpetual inventory with a variance of $27,916.57 (171 out of 227 items with discrepancies), leaving the ending inventory balance as $66,531.02. **Effect:** The perpetual system inventory values may be overstated or understated, depending on the item. **Cause:** Received and dispersed food items have not been entered consistently into the perpetual inventory system creating a difference between the physical count and the perpetual amount. **Criteria:** Measures should be taken to ensure that all authorized inventory transactions are recorded into the inventory system accurately on a timely basis.	**A. Transaction Required** The perpetual inventory should be adjusted to reflect the physical inventory count. **B. Internal Control Change** When food items are received or used, they should be accurately recorded in the perpetual inventory system.	**A. Response:** **B. Response:** **Status of Recommendation:**