



Comprehensive Audit Report
JUSTICE CENTER & MINIMUM SECURITY KITCHENS
APRIL 1, 2022 - SEPTEMBER 30, 2022
Status: Final

For action:
James Skinner

Sheriff

For information:
Linda Riggs
Kristine Malone

County Auditor
First Assistant Auditor

**Comprehensive Audit Report
JUSTICE CENTER & MINIMUM SECURITY KITCHENS
APRIL 1, 2022 - SEPTEMBER 30, 2022**

Report Summary

As part of the 2022 Comprehensive Audit Plan, an audit of the Justice Center & Minimum Security Kitchens was conducted in accordance with Texas Local Government Code §115.002.

The overall objective of the audit was to provide assurance that internal controls are in place to ensure:

- The officer has collected all the money they are obligated to collect
- The money collected was properly remitted to the appropriate party
- All funds are properly managed
- All money is properly accounted for, accurately reported, and adequately safeguarded
- The operations of the office conform to prescribed procedures
- Exposure to potential risk is minimized

The audit scope included an audit of banking, cash receipts, and internal controls. The time period audited was April 1, 2022 through September 30, 2022.

Refer to the Observations and Recommendations section, as well as the Appendix 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 Thursday, July 28, 2022, to discuss this report.

The time and assistance provided by the Sheriff and the staff during this engagement is greatly appreciated.

Observations and Recommendations

Observation	Recommendation	Management Response
<p><u>Condition:</u> The inventory count could not be completed due to various inventory control issues. During the audit, there were items set aside for meals that could not be differentiated from items in inventory due to missing pick tickets and the holding area is being used for storage. There were items in the storage area that did not correspond to the item numbers identified on the shelves. There were multiple cases of one inventory item opened. Finally, there were items added to the storage area without first being verified if these inventory items had been added to the system.</p> <p><u>Effect:</u> Without completing an inventory count, inventory balances could not be verified.</p> <p><u>Cause:</u> The Jail Kitchen is not following implemented procedures concerning the inventory process.</p> <p><u>Criteria:</u> Measures should be taken to ensure sufficient controls to safeguard food inventory are implemented.</p>	<p><u>A. Transaction Required:</u> The Sheriff's Jail Kitchen should organize the inventory storage and perform routine inventory counts to ensure items are accounted for correctly.</p> <p><u>B. Internal Control Change:</u> The Sheriff's Jail Kitchen Inventory procedures should be updated detailing a systematic process that includes the separation of duties between those responsible for maintaining the inventory, receipting and disbursing the inventory, and accounting for the inventory. Additionally, all staff should have access to the procedures.</p>	<p><u>A. Response:</u> Inventory sheets have been audited to better match item descriptions in stock. Kitchen Supervisor was taught to review pick tickets pulled by techs.</p> <p><u>B. Response:</u> Procedures have been updated to have a clear line of who is responsible for inventory and accounting and a separate person to conduct internal audits.</p>

Observation	Recommendation	Management Response
<p><u>Condition:</u> During the audit, 141 pick tickets were sampled. 73 tickets (52%) were entered between 1 and 5 days late and 3 tickets were not entered in the Munis system at all. Additionally, there were multiple discrepancies found with 50 of the above-sampled pick tickets (35%). There were many inventory items listed on pick tickets that were not entered into Munis. Items recorded in Munis did not correspond with what was recorded on pick tickets. Finally, there were many instances of items incorrectly entered into Munis as a different item number.</p> <p><u>Effect:</u> By not accounting for pick tickets accurately and timely within Munis, the Jail Kitchen is maintaining inventory levels that either are under or overstocked. When inventory is overstocked there is a potential for food spoilage and when inventory is understocked there is a potential for a lack of certain food items.</p> <p><u>Cause:</u> The Jail Kitchen is not following implemented procedures concerning the inventory process and pick tickets.</p> <p><u>Criteria:</u> Measures should be taken to ensure that all authorized inventory transactions are recorded in the inventory system and on a timely basis.</p>	<p><u>A. Transaction Required:</u> Sheriff Jail Kitchen should review all pick tickets and make the necessary adjustments.</p> <p><u>B. Internal Control Change:</u> The Sheriff's Jail Kitchen inventory procedures should be updated detailing a systematic process. The staff should have access to the procedures.</p>	<p><u>A. Response:</u> A review of a tech's pick tickets is now being conducted.</p> <p><u>B. Response:</u> The procedures are being reproduced in a detailed summary to provide to all kitchen staff and anyone associated with the kitchen for review/audit.</p>