



**AUDIT FOLLOW-UP REPORT
DETENTION CENTER COMMISSARY
COMPLIANCE & PROCEDURES**

**FOR THE PERIODS OF
JULY 1 THROUGH DECEMBER 31, 2017**

**Ernest Harvin, CIA
Internal Audit Function
Doña Ana County**

AUDIT FOLLOW-UP MEMORANDUM

DATE: November 2, 2018
TO: Fernando Macias, County Manager
FROM: Ernest Harvin, CIA, Internal Auditor
SUBJECT: Results of Follow-Up Review for the Detention Center Commissary Audit

EXECUTIVE SUMMARY

The Internal Audit Function issued an audit report on May 22, 2018, entitled *Doña Ana County Internal Audit – DC Commissary*, upon which it followed up in October 2018. In response to the follow-up for the original Audit Report's 16 findings and 30 recommendations, the Detention Center's Commissary leadership indicated that it would address the 13 findings within its purview, even though establishing relations with a new contractor could cause the implementation of some recommendations to be delayed or would not be feasible without the participation of other responsible Doña Ana County (DAC) departments.

The May 22, 2018 Audit Report contained sixteen (16) findings, eleven (11) Low-Risk Findings, four (4) Moderate-Risk Findings, and one (1) High-Risk Finding. The Detention Center's actions to implement recommendations for the thirteen (13) findings directly related to Commissary operations are summarized in the RESULTS section of this report, and detailed in Exhibit A. The internal auditor assessed evidence of the Detention Center (DC) Commissary's implementation of recommendations from the Audit Report, and determined the following:

- Recommendations for the one High-Risk Finding were implemented
- Recommendations for 3 of the three Moderate-Risk Findings were implemented in part
- Recommendations for 7 of the nine Low-Risk Findings were implemented
- Recommendations for 1 of the nine Low-Risk Findings is pending implementation
- Recommendations for 1 of the nine Low-Risk Findings were implemented in part

BACKGROUND & METHODOLOGY

The internal auditor started an internal audit of the Detention Center's Commissary Operations on April 12, 2018. The fieldwork was completed on May 22, 2018. The audit resulted in an audit report containing sixteen (16) findings and thirty (30) recommendations. This report contained eleven (11) Low-Risk Findings, four (4) Moderate-Risk Findings, and one (1) High-Risk Finding. As thirteen (13) of the audit findings could be directly linked to the Detention Center Commissary operations, the auditor sought to conduct a 90-Day follow-up review as a

November 2, 2018

2

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means of gaging and reporting on management's progress in addressing audit findings and recommendations.

In the case of recommendations for Low-Risk Findings, the auditor consulted with the Administrative Services team and Contractor staff for verbal and visual confirmations of corrective actions taken. Herein, due to the low level of materiality of these findings, it was not deemed necessary to perform testing to verify that corrective actions had been taken. For recommendations of Moderate-Risk Findings, the auditor both consulted with the Administrative Services team verbally, and in some cases performed limited testing to verify the existence of procedures and processes that had been established since the issuance of the original audit report. The results of this fieldwork are outlined in the next section, and detailed below in Exhibit A. For recommendations of High-Risk Finding, the auditor received confirmation from Detention Center management that recommendations had been implemented.

RESULTS

Findings 1-5: Contract-related Findings. Low-Risk Findings.

Detention Center management agreed that Administrative Services would conduct a quarterly review of the contract; a form will be created and utilized to address the issue of missing items paid for by the Detainees -the form will consist of the Detainees' name, date, items missing and contractor staff name that entered information; An organizational chart will be provided by the contractor as well as an updated staffing roster; A contingency plan will be provided by the contractor and kept on file; The Juvenile Detention Center Detainees will be provided the same services as the Adult Detainees.

Conclusion: Recommendations for this finding were implemented in part.
See Exhibit A, Results #1-5.

Finding 6: Contract-related Findings. Moderate-Risk Findings.

Detention Center management concurred that the Accounting Data Specialist does keep redundant records to record the date a check is received from the Commissary, on a computer. The Accounting Data Specialist will contact the Commissary if the weekly check is not received by Wednesday of any given week.

Conclusion: Recommendations for this finding were implemented in part.
See Exhibit A, Results #6.

Finding 7: Contract-related Findings. High-Risk Finding.

Detention Center management acquired title for the kiosks, which are currently out of use and will be removed by November 9, 2018, so that they can be disposed of properly.

November 2, 2018

3

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Conclusion: Recommendations for this finding were implemented.

Finding 8: DACDC Accounting Findings. Low-Risk Findings.

Detention Center management confirmed that a combination lock box is used to store checks until remittance to Finance; the Key Control Manager controls spare keys for the Visitors Lockers; the information on the H Drive is password protected; codification of the Accounting Data Specialist duties, policy and procedures are in progress at the department level.

Conclusion: Recommendations for this finding were implemented.

Finding 9: DACDC Accounting Findings. Moderate-Risk Findings.

DACDC management will request a DAC restrictive endorsement stamp to restrictively endorse contractor checks made payable to Dona Ana County - this stamp will be maintained in the Accounting Data Specialist's office; DACDC will request contractor bank statements connected to the account that issues the commission checks in order to independently verify the commission checks remitted to DAC.

Conclusion: Recommendations for this finding were implemented in part.
See Exhibit A, Results #9.

Finding 13-15: Fixed Assets Findings. Low-Risk & Moderate-Risk Findings.

Detention Center management contacted Finance to set up and obtain a copy of the Capital Outlay (Fixed Assets) guideline along with the New Mexico Statute, NMSA2006 § 13-6-1. In addition coordination with Facilities & Parks will occur to acquire tags for fixed assets, as the tagging of all fixed assets and sensitive items will be conducted by the Administrative Services Department. The documentation will be filled out and submitted by the Administrative Services Department.

** The items found in the back of the facility during the audit have been identified and proper documentation for disposal has been submitted to the Asset Management Department (Currently waiting for final disposition from Asset Management).

A Standard Operation Procedures (SOP) manual of the Administrative Services Department is currently being developed and will include frequency of inspections. Standardization of forms utilized for inspections will be clarified within the SOP.

Administrative Services will be in contact with Finance to acquire the tags and ensure that all fixed assets are inventoried and tagged properly.

Conclusion: Management has agreed to complete the implementation of recommendations for these findings by June 30, 2019. Some of the recommendations have already been implemented. See Exhibit A, Results #13-15.

November 2, 2018

4

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Finding 16: Juvenile Center Findings. Low-Risk Findings.

Detention Center management purports that the Detainee income accountability process will be handled by a new vendor; A debit card will be issued to all detainees upon release.

Conclusion: Recommendations for this finding were implemented in part.
See Exhibit A, Results #16.

EXHIBIT A

Follow-Up Review Finding #	Recommendations	Management Actions Taken	Auditor's Follow-up	Results
1-5: Contract-related Findings I	Administrative Services Team 1 -Coordinate with the CDC Director to develop criteria to be used to produce written, quarterly evaluations, per the contract; 2 -Ensure that Contractor remits some form of evidence to the Detainees who sign for but are still pending items purchased from the Commissary; 3 -Acquire an organizational chart and job descriptions for all Commissary Contract personnel; 4 -Require the Contractor to produce a written contingency emergency plan; 5- Request the Contractor either upgrade their current system in the Juvenile Center, or issue debit cards to Juvenile Center Detainees via the updated system from the Adult wing of the Detention Center	2 -A form will be created and utilized to address the issue of missing items paid for but not received by the Detainees; 3 -An organizational chart will be provided by the contractor as well as an updated staffing roster; 4 -A contingency plan will be provided by the contractor and kept on file.	The Internal Auditor - inquired with Administrative Services about actions taken; Reviewed documentation validating action taken 1 -SOP Post Order: 041 contains guidance on producing contract evaluations 2 -Contractor updated its SOP to address missing items 3 -Contract contains an organization chart for the Contractor, and the Contractor developed a DAC Commissary Operation document, containing job descriptions 4 -Contractor has produced a contingency plan to address emergencies that may occur	Recommendations for this finding were partially implemented , with the exception of #5 below 5 -Per the contract, Keefe provides at no cost, a debit card program for released Detainees. It is our understanding that this service is still NOT provided at the Juvenile Center, however the current DC Director has approved the continued issuance of checks to departing Detainees, as applicable. Because Article 34 – Waiver still allows the County to declare a default if the Contractor does not fulfill its covenant or contract terms, I recommend that the waiver by the Director be provided in writing to validate Contractor actions to issue checks in lieu of debit cards
6: Contract-related Findings II	-Accounting Data Specialist's current log should include the date of receipt for each check received from the Contractor -Accounting Data Specialist should follow up with the Contractor when necessary, or report to Management, any and every occurrence wherein a check is not	-Accounting Data Specialist keeps redundant records to record the date a check is received -Accounting Data Specialist will contact the Commissary if the weekly check is not received by Wednesday of any given week	The Internal Auditor confirmed that the Accounting Data Specialist -Keeps a thorough log of checks received. -Has NOT contacted the Commissary when weekly checks were not received	Recommendations for this finding were partially implemented , with the exception below -I recommend that the Accounting Data Specialist follow up with the Contractor for the following missing checks, Aug – Sep 2018:

November 2, 2018

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	received weekly from the Contractor			1 X Juvenile Check 2 X Adult Checks 4 X I-Care Checks
7: Contract-related Findings III	Detention Center Director should request Aramark's Corporate Office to remit the original title(s) or at least copies of the original title(s) for kiosks, and remit a copy to Finance's Asset Management upon receipt	Detention Center Director acquired title to the kiosks from the Contractor, remitting a copy to Finance's Asset Management	The Internal Auditor reviewed a copy of kiosk title, as well as email correspondence utilized to remit a copy to Finance's Asset Management	Recommendations for this finding were implemented
8: DACDC Accounting Findings I	I recommend -A designated person retain an alternate visitor locker key -Password protection of important files -Chronicling in an SOP, a deadline time and date for the year-end turn-in of monies	-Spare keys for the Visitors Lockers are controlled by Lt Howie (Key Control Manager) -Information on the H Drive is password protected -Codification of the Accounting Data Specialist duties, policy and procedures are in progress at the Department Level	-Key Control Manager confirmed control of spare visitor locker keys -Confirmed with Accounting Data Specialist that H-Drive is password protected - Accounting Data Specialist developed an SOP	Recommendations for this finding were implemented - As the Accounting Data Specialist has determined a deadline time and date for the year-end turn-in of monies, I recommend that he chronicle it in the newly developed SOP
9: DACDC Accounting Findings II	Accounting Data Specialist should -Compare the data in the contractor documentation he receives to the numbers in the bank statement -Restrictively endorsed checks -Secure checks in a lock box while in the office -Transport monies in a locking moneybag to the Finance Department -Receive confirmation from Finance when turning in monies -Develop an SOP for the Accounting Data Specialist's duties -Cross-train an alternate for the Accounting Data Specialist's duties	-DACDC will request a DAC Restrictive Endorsement Stamp to restrictively endorse Contractor Checks; -DACDC will request Contractor Bank Statements connected to account that issues the Commission Checks in order to independently verify the commission checks remitted to DAC.	Accounting Data Specialist -Now has the ability to restrictively endorse financial instruments; -Utilizes a lock box to secure financial instruments; - Has a locking moneybag to transport financial instruments; -Receives confirmation from Finance for rendering financial instruments -Has developed an SOP of his duties;	Recommendations for this finding were partially implemented , with the exceptions below Accounting Data Specialist -Has NOT yet requested monthly bank statements of the Contractor, to verify receipt of the correct amount of monies from Contractor -Has NOT cross-trained anyone else in his duties I still recommend taking the actions above
13-15: Fixed Assets Findings	I recommend the following actions by Administrative Services 13-Acquire a copy of the Capital Outlay (Fixed Assets) guideline from Asset Management; 13-Submit proper documentation to begin the disposal process for the items behind the main Detention Center facility;	DACDC will 13-Set up and obtain a copy of the Capital Outlay (Fixed Assets) guideline; 13-Submit disposal documentation for identified assets; 14-An SOP is currently being developed and will include frequency of inspections, and standardization of forms;	Administrative Services 13-Acquired a copy of the Capital Outlay (Fixed Assets) guideline; 13-Submitted documentation to dispose of non-operational fixed assets;	Recommendations for this finding are pending full implementation

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	13-Develop a listing of current assets, and tag applicable assets; 14-Develop an SOP of inspections, utilizing a checklist of fixed assets and/or sensitive items to be inspected 15-Tag & update inventory listing	15-Coordinate with Facilities to acquire tags for fixed assets, properly inventorying and tagging all fixed assets and sensitive items	14- Developed SOP Post Order: 041, which contains guidance on conducting inspections 15-Has begun listing and tagging applicable assets, with a projected completion date of June 30, 2019.	
16: Juvenile Center Findings	-If practical, relocate the safe to an area in view of the camera; -Require of the Trust Fund Administrator, to provide a listing of the check numbers; -Spot check that listing to verify the checks left under the On-Duty Sergeant's control, and develop and update the check log as applicable; -Require the check signer to be an On-Duty Lieutenant, who has signature authority on the Trust Fund account	This process will be handled by new vendor; a debit card will be issued to all detainees upon release.	-Per a discussion with Administrative Services it was determined that the small amount of money at risk, coupled with the imminent detection of impropriety, along with the cost prohibitive use of preventative measures, allows for management to understand and accept any risks associated with the lack of implementation of the internal auditor's recommended preventative measures.	Recommendations for this finding were partially implemented , with the exception below Although the Contractor now remits a listing of blank checks when remitting blank checks to the On-Duty Sergeant, I recommend that Administrative Services develop and implement a check log to track used checks, and update this measure in an SOP

NOTE: The Internal Auditor was made aware of the following areas of pending concern -

- Per conversations with the Keefe Commissary Manager, the former Inmate Fund financial records have not yet transferred via the Keefe software (No date of transfer is available); The ability to flag certain detainee accounts is not yet available (pending full tablet functionality); Detainee complaints are currently monitored and traced manually, until the software is updated (pending full tablet functionality)
- A DC Sergeant showed the Accounting Data Specialist where to find new contracts that have been uploaded, as he was NOT aware of the new commissary commission rate of 45% to be paid by the contractor even though he serves as DAC's control for verifying the contractor's payments. The Audit recommends that annually, the Accounting Data Specialist check the contract online for updates in commissions, and this annual check should be added to the Accounting Data Specialist's SOP. Per the contract addendum, certain conditions will elevate commissary commissions to 47.5% of adjusted gross sales.
- Upon mentioning a Commissioner's concern about slippery floors in the commissary kitchen, the Administrative Services team took the initiative to submit a purchase order to

November 2, 2018

7

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acquire slip-resistant overshoes for those who visit the commissary kitchen. This should help avoid visitor (who are not wearing slip resistant footwear) accidents via falls as the kitchen floor may be slippery in certain areas.

- Two concerns cited in the Management Letter from the May 2018 audit, concerning documented contractor duties and extra keys to the in-processing safe, were fully addressed during this follow-up review.

See the Detention Center Commissary Summary of Results (below) for specifics on each finding in the Audit Report. **NOTE:** Manager Responses below are written in *italics*.

SUMMARY OF RESULTS FROM THE ORIGINAL AUDIT

Contract-related Findings - Low-Risk

1. **Condition:** The contract is currently not being evaluated by the Commissary Detention Center (CDC) Director.

Recommendation: This criterion is Inmate/Detainee morale based. Thus, it is recommend that the Detention Center Director or an Administrative Services Team member coordinate with the CDC Director to develop criteria to be used to produce written, quarterly evaluations, per the contract.

Manager's Response: *The Administrative Services team along with the CDC Director will conduct a quarterly review of the contract. The review will consist of inspections conducted during the quarter to ensure the contract is being followed. Findings from inspections will be documented and reviewed for corrections/actions taken to address items found and will be kept on file in the Administrative Services office and a copy forwarded to the Detention Center Administrator.*

2. **Condition:** Detainees sign for items even when those items are missing. The Aramark staff notates the missing items on the receipt but keep both copies of the receipt until the missing items are delivered.

Recommendation: When Detainees pay for items they do not receive, signing a receipt indicates agreement with what is written on the receipt. While Aramark staff note the deficiency on the receipt, the Detainee is not remitted a copy of that receipt. We recommend that the Administrative Services Team ensure that Aramark remit some form of evidence to the Detainees who sign for but are still pending items purchased from the Commissary.

Manager's Response: *A form will be created and utilized to address this issue by contractor. The form will consist of the detainees' name, date, items missing and contractor*

November 2, 2018

8

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staff name that entered information. This form will be maintained and updated by contractor.

3. **Condition:** When asked for the organizational chart and job descriptions for all personnel in the commissary, the CDC Director stated that he has job descriptions for management personnel, but not for all positions. However, he does not have an organizational chart.

Recommendation: The auditor notes that an August 2009 Internal Audit of the Detention Center also cited the lack of an organization chart and the need to distribute it, which indicates a pattern. It is recommended that the Administrative Services Team acquire an organizational chart and job descriptions for all Aramark Commissary personnel.

Manager's Response: *An organizational chart will be provided by the contractor as well as an updated staffing roster. This will be maintained and updated by contractor and available upon request.*

4. **Condition:** Upon inquiring about a contingency plan, the CDC Director replied that a plan exists but not in writing.

Recommendation: We recommend that the Detention Center Director require the contractor to produce a written contingency emergency plan, in the event of a Force Majeure, per the contract.

Manager's Response: *A contingency plan will be provided by the contractor and kept on file. The contingency plan will be in place and reviewed annually by the Administrative Services Department.*

5. **Condition:** While other areas of the Detention Center issue debit cards with money in the account, to discharged Detainees, the Juvenile Center lacks this capability and only issues checks.

Recommendation: The contractor should either upgrade their current system in the Juvenile Center, or issue debit cards to Juvenile Center Detainees via the updated system from the adult wing of the Detention Center. Per the contract, this is the contractor's responsibility.

Manager's Response: *The new contractor Keefe is bringing in an updated system to ensure that the Juvenile Detention Center Detainees are provided the same services as the Adult Detainees.*

November 2, 2018

9

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Contract-related Findings - Moderate-Risk

6. **Condition:** The Accounting Data Specialist does not receive checks from Aramark on a weekly basis.

Recommendation: It is recommended that the Accounting Data Specialist expand the current log to include the date of receipt for each check received from the contractor. It is further recommended that the Accounting Data Specialist follow up with the contractor when necessary, or report to the Administrative Services Team any and every occurrence wherein a check is not received weekly from the contractor.

Manager's Response: *The Accounting Data Specialist does keep redundant records to record the date a check is received from Commissary on computer. The Accounting Data Specialist will contact Commissary if the weekly check is not received by Wednesday of any given week.*

Contract-related Findings - High-Risk

7. **Condition:** Doña Ana County paid \$44,100.00 for 18 kiosks, to which the County currently does not hold title.

Recommendation: It is recommended that the Detention Center Director request Aramark's Corporate Office to remit the original title(s) or at least copies of the original title(s). Upon obtaining the titles, Finance's Asset Management should be given a copy.

Manager's Response: *Contractor (Commissary Manager) has spoken with Aramark Corporate about the issue. As soon as the proof of ownership is obtained by the DACDC, a copy will be forwarded to the Asset Management Department.*

Auditor's Comments: The internal auditor was provided on July 2, 2018 via email, with a copy of the kiosk title as the Detention Center Director has acquired the Transfer of Title for the 18 kiosks.

DACDC Accounting Findings – Low-Risk

8. **Condition:** Control weaknesses were found in the following areas, while reviewing the functions of the Detention Center's Accounting Data Specialist. The Accounting Data Specialist -

- Has the only key/access to his lock box wherein he keeps petty cash

November 2, 2018

10

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- Does not have a spare key for the visitor lockers
- Stores almost one decade of financial data on the H-Drive, unprotected by a password
- Does not have an SOP requirement to have funds turned in before COB on the final business day of the fiscal year

Recommendation: It is recommended that -

- A designated person in the Finance Department retain an alternate key to the Accounting Data Specialist's lock box
- The Director of the Detention Center or a Designee retain an alternate visitor locker key
- Important files are password protected to lessen the chances of unintentional manipulation or deletion
- Coordination with Finance is made, to learn the deadline time and date for the year-end turn-in of monies. This should be chronicled in an office SOP.

Manager's Response: *The lockbox is a combination lock not a keyed lock, so no key is required for entry into the lockbox. There are spare keys for the Visitors Lockers, which is controlled by Lt Howie (Key Control Manager). The information on the H Drive is password protected in order to access the information a person either would be working in IT or would have to know the Accounting Data Specialists password to access his personal drive. Codification of the Accounting Data Specialist duties, policy and procedures are in progress at the Department Level.*

DACDC Accounting Findings – Moderate-Risk

9. **Condition:** Other areas of control weaknesses were discovered while reviewing the functions of the Detention Center's Accounting Data Specialist. Currently, the Accounting Data Specialist -

- Determines DAC's commissions only by recalculating Aramark's data, with no review of independent or external data
- Does not restrictively endorse checks upon receipt and review
- Leaves checks unsecured in a desktop inbox until taking them over to the Finance Department (amounts over \$5,500.00 breach the 2% of gross income materiality threshold)
- Transports checks in a large envelop, not a locking moneybag
- Turns in checks to Finance but receives no receipt
- Is the only person who knows his job, as has no backup or alternate, and no written SOPs of his duties

Recommendation: The Internal Auditor noted that while both the Detention Center and the
November 2, 2018 11

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Treasurer's Office performed some oversight for Commissary commissions, the two do not communicate with each other. Herein, only the Treasurer's Office receives a copy of the monthly bank statement however, no one in this office recalculates DAC's commission rate. Therefore, it is recommended that once per month the Accounting Data Specialist should also receive a copy of the bank statement, and compare the data in the documentation he receives to the numbers in the bank statement, performing this on a rotating basis so that each account (Adult, Juvenile, Icare) are reviewed at least quarterly, for the purpose of conducting independent oversight.

Additionally it is recommended that checks are restrictively endorsed (See the Treasurer's Office for a stamper), secured in a lock box while in the office, and transported in a locking moneybag to the Finance Department. The Accounting Data Specialist should also request a receipt of the Finance Department when turning over monies, even if he pre-prints this receipt and gets it signed by Finance personnel.

Finally, it is recommended that the Accounting Data Specialist chronicle his duties in SOPs, in enough detail to allow an alternate to perform those duties. Detention Center management could have the Accounting Data Specialist cross-train an alternate. The auditor notes that an August 2009 Internal Audit of the Detention Center cited a similar discrepancy in that there was only one trained payroll administrator, which indicates a pattern.

Manager's Response: *DACDC will request a DAC Restrictive Endorsement Stamp to restrictively endorse Contractor Checks made Payable to Dona Ana County. This stamp will be maintained in the Accounting Data Specialists office. DACDC will request Contractor Bank Statements connected to account that issues the Commission Checks in order to independently verify the commission checks remitted to DAC.*

Fixed Assets Findings – Low-Risk

- 13. Condition:** There are more than 50 assets (some are fixed assets) behind the main Detention Center facility, which have reportedly been there since January 2018. The items are to be disposed of, however Administrative Services has not submitted the necessary documentation for disposal. In addition, some fixed assets located in the Commissary kitchen did not have identification tags. Upon interviews with Administrative Services, the internal auditor was told that they currently do not have an updated SOP on how to dispose of fixed assets. In addition, in the past the former Asset Manager tagged fixed assets and decided the final disposition of fixed assets.

November 2, 2018

12

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Recommendation: It is recommended that Administrative Services acquire a copy of the Capital Outlay (Fixed Assets) guideline from Asset Management, along with the New Mexico State Statute, NMSA 2006 § 13-6-1, Disposition of obsolete, worn-out or unusable tangible personal property. Familiarization with these guidelines should inform them to 1) coordinate with Facilities & Parks to acquire tags for fixed assets, 2) tag all fixed assets and sensitive items, and 3) properly dispose of the items currently behind the Detention Center's main facility. The proper documentation should be submitted to begin the disposal process for the items behind the main Detention Center facility.

It is further recommended that an Asset Listing be developed, which captures the current assets (not the assets being disposed of), descriptions, identifying data, and location of assets that do not fall into the categories of fixed assets nor sensitive items. All asset management listings should be updated when items are acquired, moved to a different location, or disposed of.

Manager's Response: *An email has been sent to Rima Perez to set up and obtain a copy of the Capital Outlay (Fixed Assets) guideline along with the New Mexico Statute, NMSA2006 [sic] § 13-6-1. Coordination with Facilities to acquire tags for fixed assets, tagging of all fixed assets and sensitive items will be conducted by the Administrative Services Department. The Documentation will be filled out and submitted by the Administrative Services Department.*

****** The items found in the back of the facility during the audit have been identified and proper documentation for disposal has been submitted to the Asset Management Department (Currently waiting for final disposition from Asset Management).

14. **Condition:** Administrative Services perform inspections of kitchen facilities randomly, and in conjunction with Aramark staff. Administrative Services write reports in no standard format.

Recommendation: It is recommended that Administrative Services develop an SOP of its inspections, utilizing a checklist of fixed assets and/or sensitive items it inspects, a repetitive schedule for conducting these inspections, as well as develop a format for written reports. This not only sets a standard by which performance can be measured, but also allows for the development of an audit trail. A part of these inspections should entail reviewing fixed assets for identification tags.

Manager's Response: *An SOP of the Administrative Services Department is currently being developed and will include frequency of inspections. Standardization of forms utilized for inspections will be clarified within the SOP.*

November 2, 2018

13

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Fixed Assets Finding – Moderate-Risk

15. **Condition:** The Detention Center maintains a sensitive items inventory list, and the warehouse supervisor has access to it. A recent review of the Detention Center’s TV & Electronics Inventory 2017 (Sensitive Items) revealed that 17 of 41 (41%) items listed did not have a tag number listed, for identification purposes.

Recommendation: It is recommended that the items on the above inventory list are tagged and the inventory listing is updated with the new information.

Manager’s Response: *An SOP of the Administrative Services Department is currently being developed. Administrative Services will be in contact with Rima Perez to acquire the tags and ensure that all fixed assets be inventoried and tagged properly.*

Juvenile Center Findings – Low-Risk

16. **Condition:** When interviewing with leadership in the Juvenile Center, the following conditions were noted:

- The camera in the intake office does not capture a view of the safe
- There are a stack of blank checks under the On-Duty Sergeant’s control, but s/he does not have a listing of those checks
- The On-Duty Sergeant has possession of the incoming Detainee’s money, keys to the safe, check writing authority, and bookkeeping access

Recommendation: Controls that currently exist in the Juvenile Center are all detective in nature. However, it is recommended that the addition of the following detective and preventative controls as a means of strengthening current control methods be employed:

- If practical, relocate the safe to an area in view of the camera
- Require of the Trust Fund Administrator, who brings over the blank checks, to provide a listing of the check numbers. In addition, spot check that listing to verify the checks left under the On-Duty Sergeant’s control, beginning with the checks currently stored
- Require the check signer to be an On-Duty Lieutenant, who has signature authority on the Trust Fund account. The current weekday Lieutenant already has signature authority; it is recommended to extend signature authority to the two weekend Lieutenants who work in the Adult facility, and revoke signature authority of the Juvenile Center On-Duty Sergeants. Herein, the Lieutenants will not conduct the same accounting functions as the On-Duty Sergeants.

In this instance, the auditor notes that an August 2009 Internal Audit of the Detention Center also cited the inappropriate segregation of duties as a finding, which indicates a pattern. The

November 2, 2018

14

Cc: County Manager
Assistant County Manager (Operations)
Assistant County Manager (Administration)
Detention Center Interim Director
Internal Audit Advisory Committee

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small amount of money at risk, coupled with the almost imminent chance of detection, allowed for this to be a Low-Level Risk Finding.

Manager's Response: *This process will be handled by [a] new vendor; a debit card will be issued to all detainees upon release.*

No Contractor SOPs. Management Letter Item (Not a Finding)

Currently no SOPs on Aramark duties nor the duties of the detainees supporting commissary operations, exist. Management may want to consider this as a requirement in new and renewed contracts, so that general steps taken by contractors (which are not proprietary in nature) and detainees who perform daily functions, can be written in enough detail to allow such functions to possibly continue in the absence of the current contractor.

Conclusion: *Detention Center management has addressed this matter.*

No spare key for safe. Management Letter Item (Not a Finding)

Only one Aramark employee has the only key to the safe in the Processing area, which she keeps on her person. Requiring a second key that is secured by a designated individual within Administrative Services, may be a prudent practice. This would allow for access in the event the contractor misplaces keys or is unavailable for an extended period.

Conclusion: *Detention Center management has addressed this matter.*



Ernest Harvin, CIA
Internal Auditor – Doña Ana County

Date

14 November 2023

November 2, 2018

15

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