



MANAGEMENT LETTER of AUDIT OBSERVATIONS

May 1, 2024

Bryan Baker, Detention Center Director

An audit of the Detention Center's Warehouse & Inventory operations was completed on April 26, 2024. The audit period of January 1 – December 31, 2023 focused on warehouse receiving, storage, distribution, and inventory accountability activities. The issuance of an official Audit Report is pending Management Responses. Internal audits can be carried out in all areas of County operations, with an audit focus upon improving operations by providing management with a reasonable assurance of whether internal controls exist and are effective, in their areas of operation. When internal control deficiencies are identified, they are brought to management's attention along with recommendations for improvement, within the Audit Report.

The internal audit process consists of a 1) thorough review and understanding of applicable standard operating procedures (SOPs) and policies governing operations and staff actions, 2) interviews with knowledgeable staff, and 3) the testing/reviewing of support documentation and operations. The following comments, which have been or will be discussed with you, are intended to improve the Detention Center's Warehouse & Inventory internal control structure. Comments are presented here and not within the official Audit Report, as these items are viewed as beyond the immediate scope of the Audit. As with all Management Letters, an official response in writing is not required; however, at minimum, verbal feedback to the internal auditor is encouraged. A few auxiliary items that were revealed, which Detention Center leadership may want to stay abreast of and address, are below (*Management Input is italicized*).

Audit Observations

1. **Inaccurate Title VI Plan Verbiage –**

For Section I, Appendix A, Title VI Policy Compliance, in the version of the contract shared

with the auditor, the verbiage cites “49 CFR, part 2.” The language in the Title VI Policy statement inaccurately references the “Civil Rights Act of 1964, 49 CFR, part 2, and all related regulations and directives.” As there is no part 2 for Code of Federal Regulations 49, the renewed contract should cite the proper part of 49 CFR. The Title VI Policy Statement should refer to “49 CFR, Subtitle A; Part 21, and all related regulations and directives.”

Management’s Response: *We will forward this to Legal for correction.*

2. Disposable Items Area–

During a live inventory with warehouse staff, the auditor noted boxes within the warehouse and Conex boxes that contained items to be disposed of and items that were no longer used. As these items were staged in various locations, it is recommended that such items are organized and staged together (to the degree allowable) in a designated location(s) for ease of accountability and more efficient use of warehouse and Conex box space.

Management’s Response: *This is already being addressed. We are taking the auditor’s recommendation to use intern labor to assist in moving and reorganizing Conex storage areas.*

3. Inventory Adjustments -

A live inventory review revealed that inventory staff may have to make multiple pen and ink changes to the inventory records. This function would normally receive management oversight and be restricted to only management authorizing such changes/updates. However, due to the high fluidity of items received and issued in the warehouse, the recommendation is for periodic, unannounced management verification of inventory totals for pen and ink changes. Verification oversight by management should serve to protect both the staff and county inventory. Any discrepancies noted by management should be immediately addressed. Taking such measures will serve as a stopgap until the new/updated software system is fully in place.

Management’s Response: *In July of 2024 the County will adopt its new operating system “Workday”. This system will introduce those safeguards and provide robust reporting and an audit log to track changes.*

4. Storage Space Upgrades -

The auditor noted multiple improvements that could be made to the current inventory storage practices; a few are cited below:

- Operational smoke detector(s) in the modular building. Smoke detectors should be checked annually at a minimum.
- Ventilation installed in Conex boxes 2 – 4.
- The costs versus benefits analysis could be considered for installing a standalone warehouse/metal building, that could replace the use of multiple Conex boxes.

- Ensure proper box heights and load capacity for the modular building. A functioning fire extinguisher should also be kept available in this building.

Management's Response: *It is our intent to discontinue use of this building. With our disposal and reorganization plans in the Conex and warehouse building we feel we can eliminate the need for the modular dry storage location.*

NOTE: Detention Center management, as of June 21, 2024, plans to remove the portable/modular building from the premises within the next 120 days.


VERBAL DISCUSSIONS

Miscellaneous Items – The following management and Audit concerns were discussed with Detention Center management:

Safety briefing (template) notes uniformity
Adherence to American Correctional Association Standards
Vendor Evaluations

NOTE: Listing of verbal discussions informs the reader about matters discussed with the department/office manager; such items do not require written details as they resulted from standard due diligence, and their risks are assessed as low.

Thank you for the attention given to the items cited above.


Ernest Budden