

Summit County Sheriff's Office
Federal Law Enforcement Trust Fund
Segregated Accounts Performance Audit

Prepared for:

Sheriff Steve Barry
Audit Committee

Approved by Audit Committee
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EXECUTIVE SUMMARY

Total Number of Issues – 1

Internal Controls

Strong Internal Controls:

Area	# Issues	Issue Description	Pg Ref.
Federal Law Enforcement Trust Fund – Patrol	0	N/A	5

Weaknesses in Internal Controls:

Account	# Issues	Issue Description	Pg Ref.
Federal Law Enforcement Trust Fund – Drug	1	<ul style="list-style-type: none">• Improper deposit	5

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GENERAL BACKGROUND

The Summit County Sheriff's Office (Sheriff's Office) administers two (2) Federal Law Enforcement Trust Fund (FLETf) segregated bank accounts. Department of Justice Federal Equitable Sharing Guidelines state that an independent financial audit of all deposit and expenditure activity must be performed on an annual basis.

A description of deposits and expenditures for each FLETf segregated account reviewed is represented in the table below:

Account Name (Account Number)	Regulating Authority	Deposits	Expenditures
Federal Law Enforcement Trust Fund – Patrol (...2951)	Federal	Federally seized and forfeited assets	General law enforcement purposes (e.g., equipment and training)
Federal Law Enforcement Trust Fund – Drug Unit (...3721)	Federal	Federally seized and forfeited assets	Vehicles/repairs, office equipment, confidential funds, meth clean-up

AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY

The primary focus of this review was to provide the Sheriff's Office with reasonable assurance, based on the testing performed, on the adequacy of the system of management control currently in effect for the audit areas.

Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance. Management is responsible for establishing and maintaining effective controls that, in general, include the plan of organization, as well as methods and procedures to ensure that goals are met. Specific audit objectives include evaluating the policies, procedures, and internal controls related to the Sheriff.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Based on the results of our review, we prepared specific issues and recommendations for improvement that were discussed with management. These recommendations, as well as management's unaltered written response, can be found in the following sections of this report.

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Objectives:

To review the segregated account internal control structure through employee interviews and observations.

Scope:

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by the Sheriff from July 1, 2014 through December 31, 2014.

The following were the major audit steps performed:

OBJECTIVE 1 – REVIEW OF SEGREGATED ACCOUNT INTERNAL CONTROLS

1. Meet with the appropriate personnel to obtain an understanding of the control environment.
2. Document the existing control procedures in narratives and/or flowcharts.
3. Test procedures for compliance where applicable, noting all exceptions.
4. Investigate discrepancies and summarize results.
5. Make recommendations where appropriate.

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DETAILED COMMENTS

I. Internal Control Testing:

Sheriff's Office policies and procedures and applicable legislation were reviewed, staff interviews were conducted, and flowcharts were created and approved to gain an understanding of the laws and regulations, deposit and expenditure processes, and internal controls in place for the FLETf Patrol and Drug segregated accounts.

All deposits and expenditures were selected from the FLETf Patrol and Drug accounts. Detail testing was performed to ensure adequate support was maintained, activity was in compliance with rules and regulations, and proper approval.

The following issue was noted:

FLETf – Drug

1. Issue:

Upon discussion with the Budget/Management Director and detail testing of FLETf deposits, IAD noted one (1) of eight (8) deposits that were made up of non-federal funds.

Recommendation:

IAD recommends that only federal seizure funds be deposited into the FLETf account. This will help to ensure compliance with the Department of Justice Equitable Sharing Funds Guidelines.

Corrective Action Taken Prior to the End of Fieldwork:

On 4/1/15, IAD confirmed that the non-federal funds were transferred to the appropriate account (e.g., LETf).

Management Action Plan:

To address the issue of funds being deposited to the wrong account, the employee responsible for making the deposits will have all deposits checked/verified by another employee of the Sheriff's Fiscal Division prior to the actual deposit.

FLETf – Patrol

No issues were noted.