

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

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| (1) DEPARTMENT Auditor-Controller | (2) MEETING DATE July 18, 2006 | (3) CONTACT/PHONE M. Estrella (805) 781-5040 | |
| (4) SUBJECT Submittal of inmate welfare trust and commissary fund Audit report for the Fiscal year 2003/2004 and 2004/2005. | | | |
| (5) SUMMARY OF REQUEST The objective of the review was to determine operational compliance of the Inmate Welfare Trust Fund with Section 4025 of the California Penal Code, and to verify the existence of adequate internal controls over inmate cash and commissary activities. In the course of audit, we reviewed current operations of the Inmate Welfare Fund, including cash handling and cash security procedures, commissary sales, inmate welfare and commissary purchases, inventory controls, pricing policies and reliability of Inmate Welfare Fund Statement of Operations. We determined that the department is applying adequate internal controls and is in general compliance with Penal Code Section 4025. | | | |
| (6) RECOMMENDED ACTION Please review for your information. No departmental response is required. | | | |
| (7) FUNDING SOURCE(S) N/A | (8) CURRENT YEAR COST N/A | (9) ANNUAL COST N/A | (10) BUDGETED? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A |
| (11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): None | | | |
| (12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____ | | | |
| (13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input checked="" type="checkbox"/> All | (14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A | (15) Maddy Act Appointments Signed-off by Clerk of the Board <input checked="" type="checkbox"/> N/A | |
| (16) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____) | (17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" type="checkbox"/> N/A | | |
| (18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A | (19) BUDGET ADJUSTMENT REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A | | |
| (20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____ | (21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | (22) Agenda Item History <input checked="" type="checkbox"/> N/A Date _____ | |
| (23) ADMINISTRATIVE OFFICE REVIEW <div style="text-align: center; font-size: 2em; font-family: cursive;">Natalie Achmat</div> | | | |

7-18-06
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County of San Luis Obispo
Office of the Auditor-Controller
1055 Monterey Street Room D220
San Luis Obispo, California 93408
(805) 781-5040 FAX (805) 781-1220



GERE W. SIBBACH, CPA
BILL ESTRADA, Assistant
JAMES ERB, CPA, Deputy
LYDIA CORR, CPA, Deputy

TO: HONORABLE BOARD OF SUPERVISORS

FROM: GERE W. SIBBACH, AUDITOR-CONTROLLER *by BE*

DATE: JULY 18, 2006

SUBJECT: SUBMITTAL OF INMATE WELFARE TRUST AND COMMISSARY FUND
AUDIT REPORT FOR THE FISCAL YEAR 2003/2004 AND 2004/2005

Recommendation

Please review for your information. No departmental response is required.

Discussion

The objective of the review was to determine operational compliance of the Inmate Welfare Trust Fund with Section 4025 of the California Penal Code, and to verify the existence of adequate internal controls over inmate cash and commissary activities. In the course of audit, we reviewed current operations of the Inmate Welfare Fund, including cash handling and cash security procedures, commissary sales, inmate welfare and commissary purchases, inventory controls, pricing policies and reliability of Inmate Welfare Fund Statement of Operations. We determined that the department is applying adequate internal controls and is in general compliance with Penal Code Section 4025.

Other Agency Involvement/Impact

None.

Financial Considerations

The Sheriff's Inmate Welfare Trust Fund generated approximately \$319,817 in gross commissary sales and \$218,160 in phone commissions for FY2004/2005.

Intended Results

The Auditor-Controller's program of periodic operational compliance audits is intended to verify compliance with the California Penal Code and is intended to aid in the maintenance and improvement of internal controls and procedures.

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GERE W. SIBBACH, CPA
BILL ESTRADA, Assistant
JAMES ERB, CPA, Deputy
LYDIA CORR, CPA, Deputy

June 21, 2006

Patrick Hedges, Sheriff-Coroner
San Luis Obispo County Sheriff's Office
Highway 1 and Kansas Ave.
P.O. Box 32
San Luis Obispo, CA 93406

Dear Mr. Hedges:

Our office recently conducted an audit of the Inmate Welfare Trust Fund at the San Luis Obispo County Sheriff-Coroner's Office.

Purpose

The purpose of our audit was to determine operational compliance of the Inmate Welfare Trust Fund with Section 4025 of the California Penal Code, and to verify the existence of adequate internal controls over inmate cash and commissary activities.

Scope

Our audit included a review of current operations of the Inmate Welfare Fund, including cash handling and cash security procedures, commissary sales, inmate welfare and commissary purchases, inventory controls, pricing policies and reliability of Inmate Welfare Fund Statement of Operations. The examination of transactions covered the period from July 1, 2003 to June 30, 2005.

Findings

The results of our audit revealed Inmate Welfare Trust Fund is applying adequate internal controls and in general compliance with Section 4025 of the Penal Code. There were no reportable findings.

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Patrick Hedges, Sheriff-Coroner
June 21, 2006
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We appreciate the courteous attitude of your staff and the cooperation we received during the course of our review.

Sincerely,

Gere W. Sibbach, CPA
Auditor-Controller

A handwritten signature in black ink, appearing to read "N. Booth". The signature is written in a cursive style with a large, stylized initial "N" and a long, sweeping underline.

Norman L. Booth, CPA
Chief Internal Auditor

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