

CITY AUDITOR'S OFFICE



Audit of Detention and Enforcement's Inmate Booking and Release Processes

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CITY AUDITOR

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BACKGROUND

Individuals arrested on misdemeanor offenses within City of Las Vegas (City) limits are booked into the detention center located at 3200 Stewart Avenue. The Department of Detention and Enforcement (Detention and Enforcement) operates the detention center pursuant to Nevada Revised Statute (NRS) 211.

The Law Enforcement Support Unit includes three supervisors and eighteen Law Enforcement Support Technicians (LEST). The LESTs process the paperwork and input information into the jail management system. The functions include inmate booking, sentencing, bail, and inmate release documentation.

Seven correction officers are assigned to processing inmates into the detention center. The functions include taking custody of inmates from the arresting officer, patting down the inmates, taking an inventory of inmate property, and taking inmates pictures and fingerprints. Inmates also receive medical and classification reviews to identify any special medical needs and ensure that inmates are appropriately housed in the facility.

Three Business Office staff members are responsible for preparing inmate deposits to an Inmate Trust Account and performing audits of the bail deposits.

Between the period of November 2007 (implementation of a new jail management system) and August 2008, 26,468 inmates were booked into the detention center and 25,849 inmates were released.

Detention and Enforcement is in the process of migrating to a new jail management system called Offendertrak. The following phases of the implementation have been completed:

- **Phase I:** Correction officers began using inmate daily activity logs in September 2006.
- **Phase II:** The use of the core software module including inmate booking and release was implemented in November 2007.
- **Phase III:** The inclusion of inmate photographs within Offendertrak was implemented in March 2008.
- **Phase IV:** The use of inmate property receipt forms was implemented in April 2008.

OBJECTIVES

The audit objective was to ensure the adequacy of existing management controls over the booking and releasing of inmates.

SCOPE AND METHODOLOGY

The scope of the audit included auditing inmate booking and release processes for the period of November 2007 through August 2008.

The scope of our work on internal controls was limited to the controls within the context of the audit objectives and the scope of the audit. Our last fieldwork date was December 5, 2008.

Our audit methodology included:

- Research of applicable guidelines,
- Interviews of City personnel,
- Observations of work processes, and
- Analysis and detail testing of available data.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. 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 objectives.

The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no affect on the audit or the assurances provided.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In the completion of the Audit of Detention and Enforcement's Inmate Booking and Release Processes, we determined that management controls over inmate booking and release need improvement in the following areas:

- ***Controls over Inmate Cash Received During the Booking Process (Finding #1):*** Management controls over the custody of inmate cash obtained when inmates are booked into the detention center are deficient.
- ***Controls over Funds Placed on Account for Inmates (Finding #2):*** Adequate segregation of duties over funds placed on account for inmates are not in place.

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- ***Business Office Inmate Fund Deposit Process (Finding #3):*** Adequate segregation of duties and oversight of the inmate fund deposit process are not in place.
- ***Return of Inmate Funds upon Release (Finding #4):*** The process of returning funds to inmates when they are released from the detention center is an ineffective use of City resources and a high percentage of the funds are turned over to the State of Nevada as unclaimed property.
- ***Safeguarding Checks Used for Federal Inmates (Finding #5):*** Blank checks and the endorsement stamp are not adequately secured.
- ***Voiding Bail Transactions and the Audit of Bail Deposits (Finding #6):*** Adequate segregation of duties over voiding bail transactions is not in place. Business Office audit procedures do not ensure that all transactions have been correctly processed.
- ***Inmate Sentence Calculation (Finding #7):*** The calculation of good time off should be re-evaluated considering differences in the method used by other agencies. Offendertrak calculated release dates are not always the same as manually calculated release dates.
- ***Offendertrak Computer System Access (Finding #8):*** Individuals who no longer need access to Offendertrak have active user access rights.
- ***Municipal Court Mainframe Computer System Access (Finding #9):*** Individuals who no longer need access to the Municipal Court Mainframe Computer System have active user access rights.

Further information is contained in the following sections.

1. Controls over Inmate Cash Received During the Booking Process

Criteria

Management controls should adequately secure inmate cash when inmates are booked into the detention center.

Condition

Correction officers inventory inmate property as part of the booking process, as follows:

- A correction officer and the inmate inventory all property items including cash. The property items are listed as line items in the Offendertrak property receipt form. Inmates electronically sign property receipts indicating they agree with the inventory.
- Correction officers record cash amounts greater than twenty dollars on a three-part sequentially numbered manual receipt. One part of the receipt remains in the receipt book, one part is placed with the inmate's property, and the third part is sealed in a clear plastic bag (bag) with the cash.
- Correction Officers drop the bags into a dual lockbox accessible by the Law Enforcement Support Unit.
- Each shift, the LESTs transfers the bags from the dual lockbox to a dual lock file cabinet and enters the inmate name, identification number and receipt number into an Access database. A report is generated from the Access database and the bags are inventoried.
- Inmate cash remains in the dual locked file cabinet until either:
 - returned to inmates upon release
 - transferred to the Business Office for bank deposit when inmates are sentenced.
- Cash deposits are posted to an Inmate Trust Account and the Keefe Commissary system. Inmates use these funds to purchase commissary items.
- The receipt and deposit and subsequent return of inmate funds consist of four different tracking systems (sequentially numbered manual receipts, Offendertrak, Access database, and the Keefe Commissary System).

The following deficiencies in management controls over the custody of inmate cash received during the booking process were identified:

- The various systems are not reconciled to ensure that the amount deposited agrees with the amount received from inmates.
- The manual receipt numbers are entered into an Offendertrak comment field and cannot be easily extracted for analysis. A review of the Offendertrak property records showed that a consistent process is not followed to enter the manual receipt numbers into Offendertrak.

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- Inmate property is not dual verified by Detention and Enforcement staff. Dual verification provides increased assurance of the accuracy of receipted property should inmates who were impaired when booked challenge the initial inventory.
- The LESTs have physical access to both keys for the dual lockbox and dual locked file cabinet. Having access to both keys enables one staff member access to inmate cash without detection.
- The LESTs do not verify the amount of cash included in the bags when the cash is initially inventoried or placed into the dual lockbox.
- The shift reconciliation only consists of ensuring that all of the bags are accounted for. No verification of the cash is completed.
- An observation of the shift reconciliation process showed an instance where a bag seal was broken. The LEST simply had a correction officer reseal the bag. The contents of the bag were not verified.
- The LESTs use an Access database to monitor the flow of inmate cash in the unit. A review of the manual receipts issued between January 1, 2008 and August 30, 2008 showed the following issues with this process:
 - LESTs record the inmate identification number, name, and receipt number into the Access database. However, the cash amount is not indicated.
 - The review noted that 34 issued manual receipts were missing. Subsequent audit procedures showed that not all of the receipts were entered into the Access database before the cash was returned to the inmates.
 - Thirty issued manual receipts were entered incorrectly into the Access database.
- When used correctly, sequentially numbered receipts are used as a control mechanism to identify missing or altered transactions. In this situation, receipt numbers only serve as a routing and identifying number. The following issues relating to the manual receipt process were identified:
 - The copy of the receipt that remains in the receipt book is not matched to the copy that accompanies the inmate cash to determine if alterations occurred.
 - The receipt number sequence is not reviewed and follow-up is not performed on unaccounted for receipts.
 - Implementation of these reconciliation steps would prove to be a very labor intensive monitoring process due to the number of receipts completed each shift. 4,772 manual receipts were prepared during our review time period.
- A Business Office staff member indicated that when preparing bank deposits, the dollar amount counted is sometimes different than the amount written on the manual receipt. The current practice is to post the amount deposited to the Keefe Commissary System. The difference is not indicated anywhere else and no additional follow-up is performed.

Detention and Enforcement management have indicated they are researching various options for receipting cash from inmates during the booking process.

Cause

Current processes were developed over time to address issues. An overall control assessment was not completed.

Effect

- Limited assurance that cash received from inmates is either returned or deposited.
- Increased staff time and data entry errors when entering same data into different systems.
- Decreased control over cash when systems are not reconciled.

Recommendation

Detention and Enforcement management should implement the following management controls:

- Establish a single system to track cash receipted when inmates are booked into the detention center.
- Ensure that the system includes:
 - dual verification by Detention and Enforcement staff of the inmates' initial cash amounts,
 - a consistent method to document amounts receipted,
 - the ability to reconcile receipted cash to amounts returned or deposited for inmates, and
 - follow-up procedures when the dollar amount of receipted cash differs from the amount deposited.
- Establish physical controls over the keys to the dual lockbox and file cabinet for inmate funds stored in the Law Enforcement Support Unit. The physical controls should require employees from different lines of authority be present to open the dual lockbox and file cabinet.

Detention and Enforcement management is considering outsourcing the function of receipting cash received from inmates during the booking process. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

2. Controls over Funds Placed on Account for Inmates

Criteria

Management controls over funds placed on account for inmates should include a segregation of duties between the initial receipt and the deposit of funds functions and a subsequent independent review of documentation.

The City's Cash Handing Procedure (FN302a) provides guidelines on cash receipts received through the mail that should be followed for the receipt of inmate funds:

When a payment is received:

Through the incoming mail, two employees (when possible and other than the cashier or accounting personnel):

- *Open the mail*
- *One employee restrictively endorses checks collected "FOR DEPOSIT ONLY" immediately upon receipt and records the revenue on a pre-list*
- *Both employees initial the pre-list.*

An employee (other than the cashier) designated by the department director shall:

Ensure that the cash, checks, and revenue receipts are in agreement.

Detention and Enforcement Policy COR-6390 Inmate Funds Mail Room Receipts

Two staff members should be present to open mail.

Condition

Sentenced inmates can place funds on account in the Inmate Trust Account to purchase commissary items. Two of the methods used to accept inmate funds are:

- ***Drop Box:*** Individuals are instructed to prepare sequentially numbered envelopes with a tear off receipt and deposit the envelopes with money orders enclosed into a drop box located in front of the Detention and Enforcement Administrative Office. The Business Office staff member, who prepares the bank deposit, collects the envelopes from the drop box.
- ***Mail Receipts:*** Money orders are mailed to the detention center. A correction officer opens the envelopes and forwards the money orders to the Business Office. Business Office staff members complete sequentially numbered envelopes with a tear off receipt for each money order.

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The following segregation of duty deficiencies relating to funds placed on account for inmates were identified:

- The initial collection of money orders dropped in the drop box is completed by the same employee who prepares the deposit. This process provides an opportunity for the employee to take money orders before preparing the bank deposit.
- The initial collection of the money orders received through the mail is completed by one correction officer. This employee records all money order receipts in a money log, makes copies of the money orders, and forwards the money orders and copies to the Business Office. This process provides an opportunity for the employee to take money orders before they are submitted to the Business Office.
- An independent reconciliation of bank deposits to source documents is not completed.
- Although sequentially numbered envelope receipt numbers are used, the distribution of the envelopes is not controlled. Therefore, the receipt numbers serve only as a routing and identifying numbers.

Cause

Current processes were developed over time to address issues. An overall control assessment was not completed.

Effect

Without adequate segregation of duties, there is limited assurance that funds submitted for inmates have been properly deposited and posted to inmate commissary accounts.

Recommendation

Detention and Enforcement management should implement the following management controls:

- The initial opening of inmate funds received should be completed by two individuals and recorded on a pre-list. A copy of the pre-list should be forwarded to an employee independent of the deposit process.
- The inmate funds and a copy of the pre-list should be forwarded to the Business Office to be used for the deposit and posting to the commissary system.
- Once the deposit is complete, the deposit documentation and a summary from the commissary system should be forwarded to the same third party noted above. This individual should complete a review of the documentation to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.

Detention and Enforcement management in coordination with Finance and Business Services is researching the feasibility of outsourcing receipting inmate funds submitted through the mail and the drop box. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

3. Business Office Inmate Fund Deposit Process

Criteria

Management controls over the bank deposit process should include adequate segregation of duties including an independent confirmation of deposits and follow-up on inquiries relating to what was deposited.

City Cash Handing Procedure (FN302a)

An employee (other than the cashier) designated by the department director shall: Ensure that the cash, checks, and revenue receipts are in agreement.

Condition

Business Office staff members prepare the Inmate Trust Account bank deposits. A review of 25 bank deposits for the period of November 1, 2007 through August 30, 2008 showed funds were placed on deposit for 1,101 inmates. Funds for these inmates were receipted as follows:

Type	Number	Percentage of Total
Mail Receipts	154	14 %
Drop Box Receipts	790	72 %
Booking	57	5 %
CLV/CCDC Checks	<u>100</u>	<u>9 %</u>
Totals	<u>1,101</u>	<u>100 %</u>

Observations of the deposit process and a review of available documentation showed the following management control weaknesses associated with the Inmate Trust Account bank deposit process:

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- Each deposit is performed by one employee and the office where the deposits are prepared is not covered by video surveillance.
- Independent checks of deposits are not completed.
- The documentation for 25 inmate fund deposits was reviewed during detail testing. This documentation included 157 copies of money orders. Two of money orders were posted to the wrong inmate commissary account. Unless inmates monitor their accounts and request follow-up when their accounts appear incorrect, these errors are not found or corrected. Not all inmates closely monitor their commissary accounts.
- Employees that prepare the deposit are the same employees who follow-up on inmate inquiries about their accounts. This represents a lack of segregation of duties.

Cause

Current processes were developed over time to address issues. An overall control assessment was not completed.

Effect

The potential exists that the individual who prepares the Inmate Trust Account bank deposit could take funds without detection.

Recommendation

Detention and Enforcement management should implement controls to ensure that:

- Any funds forwarded to the Business Office for deposit include a listing by inmate and dollar amount of the funds that were transferred. This listing should also be forwarded to an individual independent of the deposit process.
- A copy of the deposit documentation and summary of the documentation posted to the commissary system is forwarded to the same independent individual. This individual should complete a review of the documentation to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- An individual independent of the deposit process should complete follow-up on inmate inquiries.

Detention and Enforcement management is considering outsourcing the function of receipting funds receipted for inmates. Any funds placed on account would be deposited by this entity. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,

- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

4. Return of Inmate Funds upon Release

Criteria

Effective procedures should be in place to ensure that funds held on account for inmates are timely returned to them.

Condition

Inmates with one dollar or more on account in the commissary system receive City checks for their remaining balance when they are released from the detention center. The following process is used to print the checks and return funds to inmates:

- Once a week, the Business Office prints an Offendertrak report that shows all inmates eligible for release within the next 7 days.
- Twice a day, the Business Office receives a report that is automatically generated from Offendertrak. This report shows all the inmates that were released from the detention center.
- The Business Office uses the above 2 reports to determine which inmates have outstanding balances by querying the inmate names in the commissary system.
- Twice a day, the Business Office prepares a listing of inmates who were released with a balance on their commissary account. This listing is e-mailed to Finance and Business Services and Law Enforcement Support Unit.
- Twice a day, when the Finance and Business Services staff member receives the inmate listing, he stops what he is doing to process and print the checks.
- Twice a day, a Detention and Enforcement transport officer picks up the inmate checks from Finance and Business Services and delivers them to the bail window.
- After the LEST prepares the Release Vouchers, a correction officer processing inmate releases retrieves the inmate checks and gives them to the inmates.

Finance and Business Services estimates it costs the City \$11.16 to process each inmate check. This estimate takes into consideration the manpower cost for Finance and Business Services and the transport officer. It does not represent the full cost since the Business Office time was not included in the estimate. In fiscal years 2007 and 2008, Finance and Business Services processed 3,237 and 3,490 inmate checks respectively. Based upon the estimate provided above, it cost the City \$36,125 in fiscal year 2007 and \$38,950 in fiscal year 2008 to process inmate checks.

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Annually, Finance and Business Services determines how many released inmate checks have been outstanding for more than a year. In fiscal years 2007 and 2008, 1,513 checks totaling \$32,521 and 906 totaling \$17,933 respectively were identified and forwarded to the State of Nevada as unclaimed property.

Detention and Enforcement management is aware of the inefficiencies with this process and is currently evaluating options to improve the effectiveness of returning funds to inmates when they are released from the detention center.

Cause

This process was developed over time without an overall assessment to improve the efficiency of the process.

Two contributing factors for inmates not cashing their checks are:

- Not all inmate checks are available when inmates are released. Inmates do not always return to the detention center and pick up their checks.
- Inmates do not always have proper identification to cash their checks.

Effect

The impact of continuing processing inmate checks in this manner includes:

- High cost of printing checks,
- Ineffective use of City employee time, and
- As noted above, a large percentage of inmate checks are not cashed.

Recommendation

Detention and Enforcement management should:

- Evaluate the alternative methods for returning inmate funds.
- Limit processing inmate fund returns to once each day.

Detention and Enforcement management is considering outsourcing the function of returning funds to inmates. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

5. Safeguarding Checks Used for Federal Inmates

Criteria

Management controls should ensure that access to blank checks and endorsement stamps are adequately secured to ensure that one employee cannot both obtain and prepare fraudulent checks.

Condition

The detention center houses inmates for certain federal agencies. These inmates are able to place funds on account for commissary purchases. When processing federal inmate releases, the LESTs prepare checks for the balance of the inmate's commissary accounts. The checks include two signature lines. A LEST signs one signature line and an endorsement stamp with the director of Finance and Business Services signature is used for the second signature line. The blank checks and the endorsement stamp are not adequately secured as follows:

- The blank checks are stored in a dual locked file cabinet. One key to the file cabinet is secured in a lockbox and the other key is located in an unsecured desk drawer at the bail desk.
- The endorsement stamp is located in a locked desk drawer at the bail desk. The key to this desk drawer is located in an unlocked desk drawer of the same desk.
- All members of the unit have access to all the keys used to secure the blank checks and the endorsement stamp.

Cause

In the past, the functions performed by intake LESTs were separate from functions performed by bail LESTs. All LESTs are being cross-trained to perform both functions and may spend part of their work week performing intake functions and part of their work week performing bail functions.

Effect

The management control that requires staff members from two separate sections be present to obtain the blank checks and endorsement stamp no longer exists. One staff member can obtain both the blank checks and the signature stamp and prepare fraudulent checks. The bank reconciliation process performed by Finance and Business Services would catch the preparation of fraudulent checks. However, since all staff members have equal opportunity to obtain the blank checks and endorsement stamp, it would be difficult to identify and prosecute the offender.

Recommendation

Detention and Enforcement management should establish physical controls over the file cabinet and desk drawer keys to access the blank checks and endorsement stamp to ensure that employees from different lines of authority are required to be present to obtain them.

6. Voiding Bail Transactions and the Audit of Bail Deposits

Criteria

Bail transactions should only be voided or deleted by employees that do not accept funds and process bails.

The Business Office audit procedures should ensure that all transactions have been correctly processed and the correct amount included in the bank deposit. This is required the City's Cash Handling Procedure (FN302a) which states:

3. *An employee (other than the cashier) designated by the department director shall:*
 - *Ensure that the cash, checks, and revenue receipts are in agreement.*

Condition

The Law Enforcement Support Unit accepts cash bails and fees for bail bonds for inmates held at the detention center for Municipal Court charges. Currently, these transactions are processed through the Municipal Court's Mainframe computer system. Sequentially numbered forms called Transaction Receipts (TR) are created that document the receipt of funds. Detention and Enforcement Business Office staff members (Business Office) perform audits of the bail bank deposits.

The following issues associated with voiding bail transactions and the subsequent audits of bail deposits were identified:

- When needed, bail LESTs have intake LESTS void TRs. Staff members are being cross-trained to perform both the intake and bail functions. Access rights to the Municipal Court Mainframe have been modified to allow staff members to complete these functions which enable staff members to void TRs they process.
- Each shift, the total amount of cash and checks accepted is reconciled to the Municipal Court Mainframe shift reconciliation report and bank deposits are prepared. The process includes documenting the missing TR numbers and forwarding copies of the TRs to the Business Office. The Business Office bail audit process does not include determining why TRs are missing or verifying the continuity of TR sequence numbers from one shift to the next.

- The Municipal Court Mainframe system is designed to print TRs once. When TRs fail to print, they must be voided, the transactions re-entered, and a new numbered TR printed.
- The bank deposit documentation is forwarded to Municipal Court. A Municipal Court staff member represented that he does not research missing TRs.

Cause

- In the past, the functions performed by intake LESTs were separate from functions performed by bail LESTs. All staff members are being cross-trained to perform both functions and may spend part of their work week performing intake functions and part of their work week performing bail functions. Programming changes enable staff to void their own transactions.
- The Business Office audit procedures do not include specific steps for reviewing voided transactions.

Effect

Errors or irregularities associated with the bail process may not be addressed.

Recommendation

The Municipal Court is in the process of migrating to a new Court Management System. Bail transactions will be processed through this system. Detention and Enforcement management should ensure adequate management controls are in place to include:

- Segregation of duties for the employees that accept funds for bail transactions and employees that void or delete processed bail transactions.
- Documented audit procedures to include a review of voided or deleted transactions and follow-up procedures for unusual circumstances.

7. Inmate Sentence Calculation

Criteria

NRS 211.320 Credits for prisoner sentenced on or after October 1, 1991.

Section 1. For each month in which a prisoner who is sentenced to a term of imprisonment in a local detention facility:

- a) Appears by the reports required by NRS 211.150, to have been obedient, orderly and faithful, the sheriff of the county or the chief of police of the municipality in which the prisoner is incarcerated may **deduct not more than 5 days from the term of imprisonment of the prisoner.***

- b) *Diligently performs his assigned work, the sheriff or chief of police may deduct:*
1. *Not more than 10 additional days if his term of imprisonment is 270 days or more;*
 2. *Not more than 7 additional days if his term of imprisonment is 180 days or more but less than 270 days;*
 3. *Not more than 5 additional days if his term of imprisonment is 30 days or more but less than 180 days;*
 4. *Not more than 3 additional days if his term of imprisonment is 15 days or more but less than 30 days; and*
 5. *No additional days if his term of imprisonment is less than 15 days.*

Section 2. Deductions earned under subsection 1 for any period which is less than 1 month must be credited on a pro rata basis.

Section 5. As used in this section, "term of imprisonment" means the total number of days a prisoner is incarcerated in the facility, including, unless the court otherwise orders at his sentencing hearing, the time he actually spent in confinement from the date of his arrest to the date on which his sentence begins.

Condition

Pursuant to NRS 211.320, local detention centers have the discretion to reduce the sentences of inmates that *have been obedient, orderly, and faithful* (good time off) and *diligently perform their assigned work* (work time off). Audit procedures included reviewing the process used to calculate good and work time off and manually recalculating the Offendertrak calculations. The following issues were noted relating to the completion of these audit steps:

- Inquiries were made of three local detention centers to ascertain how they calculate good and work time off in accordance with NRS 211.320. These agencies indicated the good time calculation is based upon the inmate's sentence. Detention and Enforcement uses a combination of the inmate's sentence and *the time spent in confinement from date of arrest to the date of sentence* to calculate good time off for inmates. Detention and Enforcement's calculation gives inmates an additional reduction to their sentence for good time off.
- Detail testing of 50 inmate files from the period of November 1, 2007 through August 30, 2008 showed that eleven of the inmates were eligible to have their sentence reduced for good and work time in compliance with NRS 211.320. Three of the eleven inmates were not released in accordance with the manually calculated release date.

Cause

- Detention and Enforcement management discussed how to interpret and implement changes to NRS 211.320 with the City Attorney's Office.
- Offendertrak calculates the release date including good and work time off. The programming used to calculate sentencing was transferred from the old jail management system. It is unknown why the system calculations did not agree with the manual calculations.

Effect

- The City is not consistent with other local agencies in its application of NRS 211.320.
- Manually calculated release dates based upon Detention and Enforcement criteria do not always agree with Offendertrak calculated release dates.

Recommendation

Detention and Enforcement management should re-evaluate the calculation of inmate good and work time off, determine if changes should be made to the calculations, and modify the programming in Offendertrak accordingly.

8. Offendertrak Computer System Access

Criteria

Information Security Procedure IT 134a.1 Responsibilities and Authority

The Data Owner is responsible for:

Ensuring that only those individuals who have an operational need can access data.

Individual Access Controls

Only properly authorized persons may access City systems. The following access controls must exist for every system/application used on the City's infrastructure:

- *Individuals are granted access only to those information systems, databases, information, and resources necessary for the performance of their official duties; (part a)*

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- *Access control processes must be in place for all applications and any changes to processes and access control mechanisms must be coordinated by the Data Owner and the ISCA; (part b)*
- *Access for persons who are not City employees or on contract to the City of Las Vegas, must be sponsored by an appropriate level of management (City Manager, Deputy City Manager, Department Director); and (part h)*
- *Access to accounts shall be disabled promptly upon the departure of a user or when a user's duties change and access is no longer authorized. (part i)*

Condition

Offendertrak computer system access rights as of September 25, 2008 were compared to Human Resource data in Oracle to determine current employment status. The following information was noted:

- 23 former City employees have active user access rights.
- 1 current City employee who transferred to another City department has active user rights.
- Offendertrak computer system read-only access has been given to 240 employees of the Las Vegas Metropolitan Police Department (LVMPD). Procedures have not been established requiring LVMPD personnel to notify Detention and Enforcement personnel when Offendertrak access is no longer required.

Cause

Detention and Enforcement does not have:

- A designated system administrator for Offendertrak.
- An established procedure to remove user computer access when an operational need no longer exists.

Effect

The lack of regular monitoring of computer system access results in the potential for unauthorized access to Offendertrak and non-compliance with City IT policies.

Recommendation

Detention and Enforcement management should:

- Remove active Offendertrak computer system access for the individuals indicated above.
- Develop, document, and implement procedures to ensure that Offendertrak computer system access is removed when:
 - employees leave employment with the City,

- employees assume City positions that no longer require access to Offendertrak, and
- users who are not City employees no longer require access to Offendertrak.
- Implement a periodic review of the computer system access rights to verify that all changes have been made.

9. Municipal Court Mainframe Computer System Access

Criteria

Information Security Procedure IT 134a.1 Responsibilities and Authority

The Data Owner is responsible for:

Ensuring that only those individuals who have an operational need can access data.

Individual Access Controls

Only properly authorized persons may access City systems. The following access controls must exist for every system/application used on the City's infrastructure:

- *Individuals are granted access only to those information systems, databases, information, and resources necessary for the performance of their official duties; (part a)*
- *Access control processes must be in place for all applications and any changes to processes and access control mechanisms must be coordinated by the Data Owner and the ISCA; (part b)*
- *Access for persons who are not City employees or on contract to the City of Las Vegas, must be sponsored by an appropriate level of management (City Manager, Deputy City Manager, Department Director); and (part h)*
- *Access to accounts shall be disabled promptly upon the departure of a user or when a user's duties change and access is no longer authorized. (part i)*

Condition

Detention and Enforcement personnel have access to the Municipal Court Mainframe computer system to perform various job responsibilities. A review of the September 30, 2008 Mainframe computer system access rights identified 97 Detention and Enforcement employees as users. These individuals were compared against Human Resource data in Oracle to determine current employment status. Of the 97 users, 23 former City employees and 4 individuals who could not be verified as either current or former City employees were identified as having active access rights to the Municipal Court Mainframe system.

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Cause

Detention and Enforcement does not have an established procedure to notify the Municipal Court personnel of employee employment status changes.

Effect

The lack of regular monitoring of computer system access rights results in the potential for unauthorized access to the Municipal Court Mainframe system and non-compliance with City IT policies.

Recommendation

Detention and Enforcement management should implement procedures to notify the Municipal Court personnel of employment status changes that would affect access rights to the Municipal Court Mainframe system.

The Municipal Court is in the process of migrating to a new Court Management System. The implemented procedures should apply to this system as well.

MANAGEMENT RESPONSE

1. Controls over Inmate Cash Received During the Booking Process

Recommendation:

Detention and Enforcement management should implement the following management controls:

- Establish a single system to track cash received when inmates are booked into the detention center.
- Ensure that the system includes:
 - dual verification by Detention and Enforcement staff of the inmates' initial cash amounts,
 - a consistent method to document amounts received,
 - the ability to reconcile received cash to amounts returned or deposited for inmates, and
 - follow-up procedures when the dollar amount of received cash differs from the amount deposited.
- Establish physical controls over the keys to the dual lockbox and file cabinet for inmate funds stored in the Law Enforcement Support Unit. The physical controls should require employees from different lines of authority be present to open the dual lockbox and file cabinet.

Detention and Enforcement management is considering outsourcing the function of receipting cash received from inmates during the booking process. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

Management Action Plan:

- The recommendation to establish a single system to track cash received when inmates are booked into the detention center is not feasible using existing software as it is now configured. The explanation is that we receipt money when inmates get booked into the facility, but do not place the money on the commissary account until they are sentenced because we do not know the length of time they are going to be in custody, to include if they decide to bail out. D&E and IT are investigating the possibility of modifying the Keefe

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- Commissary software to allow it to track not only money in the commissary accounts, but also the money being held for non-sentenced inmates.
- D&E will establish a system and ensure that the system includes:
 - Dual verification by Detention and Enforcement staff of the inmates' initial cash amounts will be completed when exceeding the amount of \$250.
 - A consistent method to document amounts received by implementing a pre-list. The prelist would be generated by the staff receipting the money and would follow to the business office when the money is transferred over. We have two options to consider generating a pre-list. One is through Offendertrak and the other is through Keefe.
 - The ability to reconcile receipted cash to amounts returned or deposited for inmates by utilizing the pre-list. A copy of this list will follow with the money to the Business Office and a second copy of the list will go to the Business Office Supervisor to reconcile information.
 - Follow-up procedures when the dollar amount of receipted cash differs from the amount deposited will be completed by someone in the business Office that was not involved with the deposit.
 - Physical controls over the keys to the money drop box (dual lockbox) and FireKing Safe (file cabinet) for inmate funds stored in the Law Enforcement Support Unit will be established as follows. The physical controls will require employees from different lines of authority be present to open the money drop box (dual lockbox) and FireKing Safe (file cabinet). The money will be dropped in the money drop box (lockbox). Presently, all Law Enforcement Support Technician (LEST) staff has access to the money drop box (lockbox). There are two keys to enter the money drop box (lockbox), but one LEST is capable of obtaining both keys. One set of keys will remain on the LEST key ring and the other set of keys will be added to the LEST Supervisors key ring. Additionally, the LEST keys will be moved from the LEST Unit and placed into the Key Watcher System located outside of the LEST Unit. This system guarantees accountability and ensures specific authorization of keys. The same procedure will be implemented for the FireKing Safe.

Detention and Enforcement management is considering outsourcing the function of receipting cash received from inmates during the booking process. Vendors that can provide automated cash/coin collection machines are being sought, however, to date none have been identified that have a proven money collection system tested in a jail environment. If outsourced, Detention and Enforcement management will ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- there will be established periodic monitoring procedures and reporting requirements.

Estimated Date of Completion

December 31, 2009

2. Controls over Funds Placed on Account for Inmates

Recommendation:

Detention and Enforcement management should implement the following management controls:

- The initial opening of inmate funds received should be completed by two individuals and recorded on a pre-list. A copy of the pre-list should be forwarded to an employee independent of the deposit process.
- The inmate funds and a copy of the pre-list should be forwarded to the Business Office to be used for the deposit and posting to the commissary system.
- Once the deposit is complete, the deposit documentation and a summary from the commissary system should be forwarded to the same third party noted above. This individual should complete a review of the documentation to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.

Detention and Enforcement management in coordination with Finance and Business Services is researching the feasibility of outsourcing receipting inmate funds submitted through the mail and the drop box. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

Management Action Plan:

- The initial opening of inmate funds received will be completed by two officers and recorded on a pre-list. A copy of the pre-list will be forwarded to the Business Office Supervisor who is an employee independent of the deposit process. We are exploring the options on how to automatically generate the pre-list to reduce the human error factor. Offendertrak and Keefe are included in these options.
- Once the deposit is complete, the deposit documentation will be forwarded to the Business Office Supervisor. The Business Office Supervisor will reconcile the pre-list with the summary from the commissary system to ensure

all funds collected have been deposited and posted to the correct inmate account in the commissary system.

- If for some reason the sealed money bag becomes unsealed at any point of the safekeeping, the money must be verified again by two people, resealed, and documented on the pre-list.

Estimated Date of Completion

December 31, 2009

3. Business Office Inmate Fund Deposit Process

Recommendation:

Detention and Enforcement management should implement controls to ensure that:

- Any funds forwarded to the Business Office for deposit include a listing by inmate and dollar amount of the funds that were transferred. This listing should also be forwarded to an individual independent of the deposit process.
- A copy of the deposit documentation and summary of the documentation posted to the commissary system is forwarded to the same independent individual. This individual should complete a review of the documentation to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- An individual independent of the deposit process should complete follow-up on inmate inquiries.

Detention and Enforcement management is considering outsourcing the function of receiving funds received for inmates. Any funds placed on account would be deposited by this entity. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

Management Action Plan:

- All funds forwarded to the Business Office for deposit will include a listing by inmate and dollar amount of the funds that were transferred on the pre-list. This pre-list will also be forwarded to the Business Office Supervisor, who is independent of the deposit process.

- Once the deposit is complete, the deposit documentation will be forwarded to the Business Office Supervisor. The Business Office Supervisor will reconcile the pre-list with the summary from the commissary system to ensure all funds collected have been deposited and posted to the correct inmate account in the commissary system.
- A Business Office Employee who was not part of the deposit process will complete follow-up on inmate inquiries.
- Once the outsourcing is completed and implemented, the only means for the public to deposit money will be through the kiosk, website or toll free call center. Upon implementation of these services, no money will be accepted through the mail. Notification to inmates and on the website will inform senders and recipients.

Estimated Date of Completion

December 31, 2009

4. Return of Inmate Funds upon Release

Recommendation:

Detention and Enforcement management should:

- Evaluate the available options for returning inmate funds.
- Limit processing inmate fund returns to once each day.

Detention and Enforcement management is considering outsourcing the function of returning funds to inmates. If outsourced, Detention and Enforcement management should ensure that:

- the contract includes a right-to-audit clause,
- the entity is bonded,
- the computer system is adequately secured and appropriate backup procedures are in place, and
- they have established periodic monitoring procedures and reporting requirements.

Management Action Plan:

Detention and Enforcement management has:

- We started evaluating the available options for returning inmate funds. We have researched the process to have the Keefe System print money orders. This system is new and there is not enough information on the reliability of this process. The best option at this time appears to be using pay cards. We have been researching this option and have identified two vendors that can

provide this service. We are having discussions with finance to select the vendor most suitable for us.

- We have limited processing inmate fund returns to once each day. This is effective as of **Monday, March 02, 2009**.

Estimated Date of Completion

- December 31, 2009
- Completed on Monday, March 02, 2009

5. Safeguarding Checks Used for Federal Inmates

Recommendation:

Detention and Enforcement management should establish physical controls over the file cabinet and desk drawer keys to access the blank checks and endorsement stamp to ensure that employees from different lines of authority are required to be present to obtain them.

Management Action Plan:

D&E Management will establish physical controls over the file cabinet and desk drawer to access the blank checks and endorsement stamp to ensure the employees from different lines of authority are required to be present to obtain them by:

- Utilizing the Key Watcher System to store the two separate sets of keys needed to get in the FireKing Safe (file cabinet). The desk drawer will no longer be used to store the endorsement stamp.
- The blank checks will remain in the FireKing Safe. In order to get into this safe, a LEST Supervisor or LEST Acting Supervisor and a LEST will need to be present, as they each have a separate key needed to get in.
- The endorsement stamp will be secured in the lockbox that requires the Employee Access Badge to open it. The only staff authorized and having access to this lockbox will be the LEST Supervisors and LEST Acting Supervisors.

Estimated Date of Completion

December 31, 2009

6. Voiding Bail Transactions and the Audit of Bail Deposits

Recommendation:

The Municipal Court is in the process of migrating to a new Court Management System. Bail transactions will be processed through this system. Detention and Enforcement management should ensure adequate management controls are in place to include:

- Segregation of duties for the employees that accept funds for bail transactions and employees that void or delete processed bail transactions.
- Documented audit procedures to include a review of voided or deleted transactions and follow-up procedures for unusual circumstances.

Management Action Plan:

D&E Management will ensure that adequate management controls are in place, to include:

- The LEST's access rights no longer will include "void functions." The LEST Supervisor's and LEST Acting Supervisor's will be the only staff authorized to have access rights at the level which voids can be executed. We will train additional staff as Acting LEST Supervisor's to ensure there is always a LEST Supervisor or a LEST Acting Supervisor on duty.
- The documented audit procedures, including a review of voided or deleted transactions and follow-up procedures for unusual circumstances will be as follows:
 - When a transaction receipt (TR) is missing, a memorandum with a detailed explanation shall be written in the place of the missing transaction receipt. This process will ensure there is accountability for all transaction receipts. All unusual circumstances will be looked into by the person conducting the bail audit (a business office employee) and the LEST Supervisor with follow-up documentation on the findings.

Estimated Date of Completion

December 31, 2009

7. Inmate Sentence Calculation

Recommendation:

Detention and Enforcement management should re-evaluate the calculation of inmate good and work time off, determine if changes should be made to the calculations, and modify the programming in Offendertrak accordingly.

Management Action Plan:

D&E has already begun the recommended evaluation process. We have received an expert opinion from the City Attorney's office. We are continuing to evaluate the calculation process and plan to reevaluate Offendertrak. The evaluation process includes:

- The interpretation of NRS from City Attorney which would significantly change the formula used for calculations.
- Testing the cases that the auditor provided. A total of eleven (11) cases were reviewed by the auditor and were determined to need further evaluation from D&E for clarification on sentence calculation. All cases computed correctly, with the exception of three (3). The next step is to further test the three (3) cases by re-entering the cases into Offendertrak training site and re-calculating the cases. Random testing will also be conducted to further determine if the Offendertrak system is calculating good time, work time and release dates accurately and in accordance with NRS.
- Hand calculations are being compared to Offendertrak calculations to determine consistency and accuracy.
- Follow up with the three (3) local agencies will be done and responses compared accordingly.
- If changes need to be made with the calculations and formula, Motorola will need to conduct additional testing, look at discrepancies and make modifications to the program. If modifications are needed, it will not be under contract and is estimated to be a fiscal impact. The other possibility is that the formula in place has a potential "glitch." If this is the case, D&E will need to demonstrate that it was a program error and we would not have discovered this during the testing phases prior to signing off. If that is the case, it may or may not incur a fiscal impact.

Estimated Date of Completion

March 1, 2010

8. Offendertrak Computer System Access

Recommendation:

Detention and Enforcement management should:

- Remove active Offendertrak computer system access for the individuals indicated above.
- Develop, document, and implement procedures to ensure that Offendertrak computer system access is removed when:
 - employees leave employment with the City,

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- employees assume City positions that no longer require access to Offendertrak, and
- users who are not City employees no longer require access to Offendertrak.
- Implement a periodic review of the computer system access rights to verify that all changes have been made.

Management Action Plan:

- The active Offendertrak computer system access for the individuals listed above has been removed.
- D&E has a "Detention and Enforcement Employee Separation Checklist. A checkbox has been added to the checklist for "Remove from Offendertrak Database."
- Periodic review of the computer system access rights to verify all changes have been made will be implemented on a quarterly basis.

Estimated Date of Completion

December 31, 2009

9. Municipal Court Mainframe Computer System Access

Recommendation:

Detention and Enforcement management should implement procedures to notify the Municipal Court personnel of employment status changes that would affect access rights to the Municipal Court Mainframe system.

The Municipal Court is in the process of migrating to a new Court Management System. The implemented procedures should apply to this system as well.

Management Action Plan:

Detention and Enforcement management has implemented procedures to notify the Municipal Court personnel of employment status changes that would affect access rights to the Municipal Court Mainframe system. This will be executed by sending an e-mail. D&E has a "Detention and Enforcement Employee Separation Checklist. A checkbox has been added to the checklist for "E-mail municipal court requesting removal from Court Management System."

Estimated Date of Completion

December 31, 2009