



DEPARTMENT OF INSPECTOR GENERAL
OKALOOSA COUNTY, FLORIDA
JD PEACOCK II, CLERK OF CIRCUIT COURT AND COMPTROLLER



September 1, 2023

John Hofstad, County Administrator
Okaloosa County Administration Building
1250 N Eglin Pkwy, Suite 102
Shalimar, FL 32579

Mr. Hofstad,

Please find attached the report on our audit of the Department of Corrections.

Our work served as a review of the Department's internal controls, policies and procedures, and risk management.

I want to thank Nolan Weeks, April McDaniel, and their staff for the cooperation and accommodation they afforded us. Should you have any questions please do not hesitate to call me at (850) 689-5000 Ext. 3421.

Respectfully,

Andrew Thurman, Inspector General

CC: Nolan Weeks, Chief Correctional Officer
April McDaniel, Jail Operations Major
JD Peacock, Okaloosa County Clerk of Courts

OKALOOSA COUNTY CLERK OF CIRCUIT COURT



DEPARTMENT OF INSPECTOR GENERAL



REPORT ON THE AUDIT OF THE DEPARTMENT OF CORRECTIONS

REPORT NO. BCC 23-03

REPORT ISSUED SEPTEMBER 1, 2023

ISSUED BY: ANDREW THURMAN, INSPECTOR GENERAL

Background

Based on the 2022 County-wide Risk Assessment, the Department of Inspector General 2023 Audit Plan included an examination of the Okaloosa County Department of Corrections controls and risk management within the Department.

Objective

The engagement included an evaluation of the Department of Corrections' (DOC) implementation and effectiveness of internal controls, as well as an examination of the Department's process for risk assessment and response.

Scope & Methodology

The scope of our examination included review of policies and procedures for administrative functions, changes in policy and procedures from the previous administration, as well as the current recruiting and retention of all levels of employment within DOC. Examination methodology included interviews with DOC staff from top management to front line correctional officers and staff.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, waste, or abuse. This includes the design, implementation, and maintenance of internal controls relevant to the objectives. This review was conducted in compliance with Standards for Offices of Inspector General issued by the Association of Inspectors General and the International Professional Practice Framework issued by the Institute of Internal Auditors.

Background

As stated by the department, The Mission of the Okaloosa Department of Corrections is to protect the public, staff, and inmates through the safe and secure operation of the jail; to provide a safe and positive environment for inmate rehabilitation; and to support the court system.

The department operates one facility, commonly referred to as the Okaloosa County Jail, located in Crestview. The facility houses inmates in pretrial detention and those serving sentences of less than one year, and it has an average daily population of approximately 700.

Process

DOC had a realignment of upper management in 2022. They are currently reviewing policies and updating as needed to bring DOC in line with best practices. The audit reviewed the specific process listed below.

Jail Repairs

Repairs to the jail are currently accomplished by both Facilities Maintenance (FM) loaned employees and DOC staff. The three (3) FM employees are responsible for facility/structure related issues such as electrical and plumbing, and the DOC employee are responsible for any repairs needed on internal things such as appliances and damage inflicted by inmates. The needed repairs are kept on a running spreadsheet maintained by the FM employees to include both the internal and structural issues. The repairs completed by the FM staff do not follow the same workorder process as other FM units but fall under a line-item budget which includes not only the DOC work done by the loaned FM employees but

also any work done for DOC that was completed by other FM units or outside vendors. DOC has a separate line-item budget for work completed by the DOC staff. At times work may be completed by FM and charged back to DOC.

Promotions

Promotion needs are relayed to Human Resources (HR) by DOC who then vets qualified candidates and provides DOC with those candidates. Vacancies are also relayed to HR and are then posted on the County website. DOC attends Job Fairs and can now hire qualified candidates on the spot. DOC has implemented new non-certified technician positions with sponsorship to the academy to transition them to certified officers.

Commissary

Commissary items can be ordered by inmates through tablets provided to them at intake. Ordered items are delivered once a week by the vendor Oasis. Orders are then separated into bins assigned to different pods and set in a staging area for the officer in charge of each pod who then distributes the items to the inmates. The cost of any missing items is credited back to the inmate's account or if the item(s) are available through an abandoned order the item(s) can be used to fill the gap. Abandoned commissary items (after 30 days) are distributed to charity.

Inmate Property

Property brought to DOC by an inmate during intake is sealed in a vacuum sealed clear bag with an inventory list exposed and the inmate's number issued during intake. The bag is then placed in the secure property room. Valuable items are vacuum sealed separately, through a similar process. The inmate acknowledges the inventory along with an officer. Upon release the inmate inventories, signs, and receives the items. If there is any discrepancy, a search is initiated. If the items cannot be located a report is completed and sent to Risk. A Visitor Log is kept in the property room and any non-authorized persons are logged in and out of the Property Room.

Testing

We reviewed DOC policies and procedures and interviewed upper-level management on changes that occurred over the past year as they transitioned into a new administration. Also interviewed were staff in charge of Commissary, Property, Intake and Release, Maintenance for the jail from both Facilities Maintenance and DOC side, and lastly, we interviewed the officer responsible for distribution of abandoned commissary items.

During the audit we obtained finance records for the reconciliation of Inmate Welfare Accounts, random service records were obtained on repairs/services completed at the jail. On site visits were made and we observed intake/release of inmate property, property room storage, commissary receiving and distribution. All were compared to current DOC policy.

Conclusion

The new DOC administration has been very diligent in improving processes at the jail. In efforts to ensure the jail is using best practices, the upper management toured other jail facilities in the panhandle and invited their management to tour the Okaloosa Jail and provide feedback. New practices have been

implemented and risk and internal controls have been improved through updated policies. Cameras have been installed throughout, which is beneficial in protecting employees from falsehoods, but also ensures accountability.

The new administration has been proactive in their recruiting efforts to fill the vacancies that had been putting pressure on staff. The new Administration initiated new programs to reduce the number of certified staff needed and created a mentor program to help reduce turnover. The overall culture has improved based on candid conversations with employees during on-site visits.

Though not identified as a finding, we recommend the DOC implement a department-wide policy for risk evaluation and response. This would examine internal and external factors that may affect the department's ability to meet its objectives and assist with departmental planning.

Finding 1: Some policies and procedures have not been updated over time to reflect current processes.

Condition: In review of the promotion process the policy states "Upon posting of internal job vacancy bulleting, the DOC shall post a schedule of dates, times, and locations of all elements of the promotion process..." DOC states this has not been done for the last 12 to 15 years, and HR handles the posting of the job vacancy.

In the commissary policy and procedure, it states "an annual internal audit of the Inmate Welfare Fund will be conducted by a person not associated with the commissary function". DOC states they send their reports monthly to Finance (Clerk of Court and Comptroller); however, Finance is not internal to DOC and is not conducting an annual audit. Finance reconciles monthly reports of the Inmate Welfare Fund.

Cause: DOC has recently undergone a turnover of top management and a realignment of positions. Some policies have undergone revision under the new administration, and some are still being reviewed; however, historically a regular review has not been conducted.

Criteria: Policy and Procedures should be kept up to date with current practices. If the process for different functions at DOC has changed over time or due to other circumstances, the policy should be revised and or updated to reflect the change.

Effect: If new hires or internal transfers find that the procedures they are required to follow are different than what is outlined in official policy, this can cause confusion or inconsistencies. If accepted practice is different than written policy, it could potentially become a liability.

Recommendation: Management should review all policies and procedures to ensure they are up to date with current practices. The DOC should consider an annual review process of all policies going forward.

Finding 2: DOC should improve controls over inmate property room access.

Condition: The Visitor Log which was in the form of a clip board with sign in/out forms attached, was kept in the property room, and could not be located when requested during the audit. According to the ACR Officer in charge of the property room this was the sole documentation showing who, other than authorized persons, had entered the property room. The historical data from the log was not retained in any other location such as a hard copy file or electronically.

Criteria: In order to help maintain the integrity of the inmate's property while the inmate is incarcerated, the Visitor Log should be an accurate and secured log of all unauthorized persons who entered the secure inmate property room.

Cause: Without the visitor log there is no documented data to show who had access to the inmate property room outside of authorized personnel. There are currently no cameras in the property room.

Effect: The DOC may be vulnerable to liability should property be deemed missing upon an inmate's release.

Recommendation: The Visitors Log should be routinely memorialized in digital form and the hard copies removed from the clip board and retained periodically rather than storing all logs on the clip board in the property room. Management should consider installing cameras in the property room as an additional measure to ensure a reduced risk of fraud, waste, or abuse.

Finding 3: DOC should improve controls over the disposal of abandoned commissary items.

Condition: Currently one certified officer has volunteered to collect the abandoned items two to three times annually and donate them to two different churches and the Crestview Homeless Shelter. There is no documentation as to what items are given to the Officer and there is no receipt of the items to the three charitable organizations.

Criteria: Any abandoned items in Commissary should be distributed according to a specific policy and should be documented to reflect what was abandoned and the distribution should be receipted to protect the integrity of DOC and the individual making the distribution.

Cause: Without a specific policy and documentation as to distribution of abandoned commissary items, it opens the door for opportunity for fraud, or the perception of impropriety.

Effect: The items are only being distributed to three charitable organizations of which there are many within the County. Two of the three have a personal connection to the Officer making the distribution. This could potentially give a negative perception to the citizens of the County or other charitable organizations who are not benefiting from the donations. The lack of a formal process opens the employee to accusations of wrongdoing.

Recommendation: The policy and procedures should be updated to reflect specifically how the contributions are disseminated and should include documentation as to what items are donated and to whom. Contributions should be equitable across charities within Okaloosa County that have an interest in receiving any abandoned items.

Finding 4: Annual audit of the Inmate Welfare Fund is not being completed as defined per Statute 951.23(9e).

Condition: The Commissary Officer was asked about the annual internal audit of the inmate welfare fund; he stated that the Clerk's Office Finance Department conducts the audits. The Finance Department was asked if they perform annual audits of the Inmate Welfare Fund and they stated they did not. They receive the financial information regarding the fund monthly and reconcile the information, but do not perform annual audits.

Criteria: Annual Audits of the Inmate Welfare Fund are not being accomplished per DOC policy and Florida Statute F.S.S. 951.23(9e). The Statute states "The officer in charge shall be responsible for an audit of the fiscal management of the commissary by a disinterested party on an annual basis, which shall include certification of compliance with the pricing requirements of paragraph (b). appropriate transaction records and stock inventory shall be kept current."

The DOC policy states, "An annual internal audit of the Inmate Welfare Fund will be conducted by a person not associated with the commissary function."

When comparing the DOC policy to FSS 915.23 (9e) both state an annual audit will be done by a disinterested party; however, the DOC policy states “an internal” audit where the FSS does not specify that the audit needs to be internal, only that an annual audit is required. This is not being accomplished.

Cause: The commissary officer believed the monthly submission of inmate welfare funds to the Clerk’s Office Finance Department constituted an audit.

Effect: Currently DOC is not in compliance with its own policy and also appears to be in violation of F.S.S. 951.23(9e).

Recommendation: DOC should develop a process for an annual audit of the Commissary Function and Inmate Welfare Fund to be compliant with both its own policy as well as F.S.S. 951.23(9e).

Finding 5: The budget for repairs completed at the jail does not delineate between large projects and costs of repairs completed by the three employees loaned to DOC by Facility Maintenance (FM).

Condition: The services provided by the three FM employees are not documented through the same work order process as other services provided by FM for the County. The cost associated with the repairs completed at the jail are not segregated out from other projects at the jail that are beyond the capabilities of the loaned employees, such as HVAC system installation or repairs, renovations to structure, and other large projects.

Criteria: FM has provided three full time employees to DOC who operate in conjunction with DOC staff on repairs to the jail due to the numerous and daily requests for repairs at the current jail facility. In order to be able to ascertain the accurate cost of daily repairs at the jail facility versus large project cost or outside vendor costs, the costs should be tracked separately. Having an accurate dollar amount of costs between internal and external repairs completed by FM would ensure a more accurate cost of daily repairs at the jail. DOC has a separate line-item budget for work completed at the jail, but at times is charged for work completed by FM outside of the normal repair and maintenance items.

Cause: Facility Maintenance employees assigned to the jail repair items related to the actual structure to include minor electric and plumbing. DOC repairs items internal to the structure to include any damage caused by inmates. The cost of repairs to the jail in the line-item budget includes large project items from outside vendors and other FM units for things such as HVAC repairs and renovations.

Both FM and DOC state there is a line-item budget that covers the expenditures to repairs involving the jail. FM employees assigned to DOC for maintenance at the jail facility maintain a running spreadsheet of things requiring repair or regular maintenance. The list is extensive with limited ways to track outstanding repairs to be completed. If the FM employees loaned to the jail facility followed the same workorder process as the other FM staff, it would give management a better sense of how long items have been documented for repair, when they repaired, and the cost of the repair. The current system has become challenging for DOC administration.

Effect: Without a specific tracking of costs, it is difficult to determine whether the amount being budgeted is in excess or falls short of needed funds to support the safe and adequate functioning of the facility. Excess or inflated funds not accounted for are at risk for fraud. The lack of real time tracking has also become a challenge for DOC administration.

Recommendation: FM and DOC should work together to create a more effective and efficient way of tracking outstanding and completed repairs by both the loaned FM staff and the DOC staff.



Department of Corrections

Okaloosa County Department of Correction State of Florida, Okaloosa County

August 30, 2023

To: Inv. Renee Ramirez
From: April McDaniel, Major of Jail Operations

Re: Department of Inspector General 2023 Audit

In response to the Inspector General's Office audit of the Corrections Department, the Department would like to submit comments regarding the overall staff experience, the process, and findings.

The Department of Inspector General's staff were exceptionally professional and efficient in the course of the audit. Their interaction with Department of Corrections staff was friendly and courteous. Inv. Ramirez created a collaborative environment and positive overall experience by providing Department of Corrections Command Staff ample opportunity to compile resources and schedule appropriate staff interactions in the course of the audit.

The process of the audit focused on four key areas of identified risk: facility repairs, the promotional process, commissary, and inmate property. Each element presents a logical element of liability or fiscal risk for the County and as such were clearly identified and articulated by the audit team. The audit report attempts to outline the facility's approach to managing these elements and presents five findings and recommendations to mitigate the risk associated with each element.

Finding 1 relates to policy updates not maintaining pace with departmental changes. As reflected in the audit report, the Department of Corrections has undergone a rapid and unexpected turnover in top management and multiple key position changes and realignments. The audit team specifically reviewed the policy concerning promotions and found it to be inconsistent with existing practice. The recommendation from the audit team being to institute an annual review process for all policies. Prior to the audit event, the Department initiated a review of this particular policy in the interest of creating a more robust process. The development of the new policy was not complete at the time of the audit and had not been incorporated into policy. The Department has updated the specific policy, attached for review, to align it with current practice and has initiated an annual review of all policies utilizing our PowerDMS software.

Finding 2 relates to controlling inmate property room access. As reflected in the audit report, the property room visitors log could not be located at the time of the audit. Much like Finding 1, the property room, and associated processes have undergone significant change and renovations. During the property room renovations, the log for visitors was misplaced. The missing log was able to go undetected because visitors to the property room are rare. The ACR Sergeant on duty

at the time of the discovery sent correspondence out to all authorized staff to remind them of the policy and created a new log. As of the time of this writing, the log is still in place. The Department plans to move away from the log once cameras are installed in the property room. With this additional measure and the restriction of access by keys which are on security rings in the keeping of authorized staff only, the property room will be secure and all activities properly monitored.

Finding 3 relates to the disposition of abandoned commissary items. As reflected in the audit report, the current system has no mechanism for control or documentation of distribution of abandoned items. As such, this condition could give the appearance of impropriety. In response, the Department has updated the policy in keeping with the audit recommendations. The revised policy is attached for review.

Finding 4 relates to the statutory requirement for an annual audit, conducted by a disinterested party, of the fiscal management of the commissary, also known as the Inmate Welfare Fund. In response, the Department has coordinated with the Office of Inspector General to accomplish this annual obligation. The Office of the Inspector General is qualified to conduct this function due to their experience with audit functions, lack of association with the operation of the commissary, and their proximal relationship in the county government structure. This relationship and obligation is memorialized in the commissary policy.

Finding 5 relates to tracking and management of facility maintenance and repair expenses. As reflected in the audit report, the current system of tracking needs and responsibilities does not serve either department involved or the County as a whole. In keeping with the recommendation of the audit team, Facility Maintenance and Corrections Department leadership are strategizing ways to incorporate the facility and acclimate staff to the county wide ticket system without overwhelming the system.

In conclusion, the Corrections Department appreciates the professional and thorough work of the Office of the Inspector General's audit process and the team selected for the task. Department Leadership and Command Staff value the opportunities presented by the audit and report. It is our sincere hope that our commitment to growth is reflected in the responses outlined above and the action taken thus far.