



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



January 26, 2024

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 Inmate Welfare Fund.

Our work served as a review of the Department's internal controls and policies and procedures over the Inmate Welfare Fund and commissary function. This audit was requested by the Department, and is required under §951.23(9)(e) Fla. Stat.

I want to thank Nolan Weeks and his 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
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 INMATE WELFARE FUND

REPORT NO. BCC 23-05

REPORT ISSUED JANUARY 26, 2024

ISSUED BY: ANDREW THURMAN, INSPECTOR GENERAL

Background

Pursuant to F.S.S. 951.23 (9e), the Department of Corrections (DOC) Inmate Welfare Fund is required to be audited annually by a non-interested party. DOC has requested this office conduct their annual audit beginning FY2023.

The Florida State Statute reads as follows:

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).

The current DOC policy regarding the fiscal management of the commissary states:

An annual internal audit of the Inmate Welfare Fund will be conducted by a person not associated with the commissary function.

The certification of compliance with the pricing requirements was obtained during the audit of Internal Controls and Risk in 2023. (B-4); therefore, it was not requested again during this audit.

Objective

The objective of this audit is to ensure compliance with F.S.S. 951.23(9e) and its Department Policy regarding the annual audit of the Inmate Welfare Fund/Commissary by:

- A) Evaluating the Oasis contract compliance
- B) Verifying the process controls
- C) Testing Inmate Welfare Fund Expenditures
- D) Certifying compliance with pricing requirements
- E) Examining the Inmate Welfare Fund Committee process and procedures

Scope & Methodology

The Scope and Methodology did encompass a review of all DOC commissary policies, procedures, and internal controls in effect between October 1, 2022 and September 30, 2023; all commissary transactions and Prisoner Benefit Fund expenditures during Fiscal Year (FY) 2023; and all Inmate Welfare Fund (IWF) activity during FY 2023.

Process

FY2023 funding sources for the IWF included commissions from Securus (Inmate Communications), commissions from Oasis (Inmate Commissary), nominal medical charges for services provided to the inmates (dental, doctor visits, nurse visits, X-Ray, etc.), lobby ATM fees, commissary indigent fees/reading glasses/and vital statistic requests. If the inmate is indigent, the fees are recouped if ever the inmate has a positive balance in their account.

Expenditures which are paid out of IWF are attributed to different numbered accounts such as vehicles, supplies, and accreditation manager's salary among others. Inmates purchase commissary items from their accounts and a bulk order is placed with the commissary vendor, Oasis, at a minimum of once weekly.

Indigent inmates ordering through commissary are invoiced separately as there is no commission paid from these orders. The items are segregated out per inmate order and packed in clear plastic bags with the bag inventory visible through the bag. The bags are then sorted by pods by the commissary officer. The sorted bags are delivered to the different pods for distribution by the officer in charge of the pod. The bags are opened in front of the inmate and each item is accounted for and checked off the inventory list. If the bag is missing any items, it is notated on the inventory list and the list is sent back to the commissary officer so the inmate's account can be credited. If there are multiples of any items in the bag that were not purchased by the inmate, it is returned to the commissary officer. The returned items are documented on the inmate's account and Oasis is notified. Oasis will either ask for the item to be returned or for the commissary officer to hold for future need. Abandoned commissary items are held for a period of time and then distributed to local charities.

There are monthly reconciliations of expenditures and bank accounts conducted by the Clerk Finance Office.

Testing

We spoke with the Chief, (N. Weeks), the Major (A. McDaniel), the Finance Administrator (C. Rogers), and the Accreditation Manager (A. Oliver) regarding the process for expense review, payment, expenditures, and committee members. We also collected a record of all expenditures from the IWF for FY2023 from the Clerk Finance Department, and a list of accounts from Corrections Finance Officer (Christy Rogers), in which IWF is used to pay expenses.

Three Oasis invoices were randomly selected from each month of FY2023 for review, and all Purchasing Card transactions from FY2023 were also reviewed. All questions regarding the expenditures were sent to the Corrections Finance Officer and/or the Clerk Finance Office for further information. All questions were sufficiently answered.

Three different retailers were selected for market comparison to the Oasis prices. The retailers were Dollar General, Walmart, and Amazon. Some prices were less than those charged by Oasis, and some were higher, but all within a reasonable variance.

Conclusion

After a review of finance documents associated with IWF expenditures it was determined, with the exception of the finding described below, there are adequate controls to ensure that expenditures are properly documented and spent in accordance with the direction of the Corrections Director and are for the benefit of inmates as dictated in F.S.S. 951.23(9e). As this was the first audit conducted by our IG office of the IWF, there were a lot of questions being asked of them in order to gain a better understanding of how the Inmate Welfare Fund (IWF) is used and how the Commissary operates. Chief Weeks and his staff were very helpful and responsive to our requests for data and answering questions regarding the data.

Finding 1:

Condition: Staff members were involved in recommending payment of expenditures from the IWF; however, it was not a formal committee nor was a policy in effect identifying the approval process.

Criteria: Florida Statute F.S.S. 951.23(9e). Profits from the commissary shall be used for overall inmate welfare, and an inmate welfare fund committee shall recommend what expenditures are to be made. The activities of the committee shall be reviewed by the officer in charge who shall have final authority on expenditures. It is recommended that the jail chaplain be a member of the committee.

Cause: DOC is undergoing improvements in process/policy since new management took over during 2021. Based on a previous misunderstanding of FSS 951.23 there had been no official audits of the Inmate Welfare Fund in the recent past. Due to the appearance of being non-compliant with the statute, DOC requested this office conduct the annual audits of the IWF going forward.

Effect: Inconsistency in how Inmate Welfare Funds are distributed due to lack of formal policy and committee.

Recommendation: Develop a formal process for review of expenses by the Officer in Charge. Identify a formal committee to review and make recommendations for expense approval to the Officer in Charge who has the final approval/disapproval of expenses paid from the IWF.

After speaking with Chief Nolan Weeks, he agreed there needed to be a more formal process and will be updating the policy regarding the committee, to include establishing regularly scheduled meetings with the committee either in person or via group email. He will also determine what expenditures will be considered routine and what expenditures need to be reviewed by the committee for approval/disapproval.

Management Response

Attached



Department of Corrections

Okaloosa County Department of Corrections State of Florida, Okaloosa County

Date: January 24, 2024
To: Investigator Renee Larkey
From: Chief Nolan Weeks
RE: Management Response

Thank you for providing the comprehensive audit report on the Inmate Welfare Fund (IWF) and Commissary Operations for Fiscal Year 2023. I truly appreciate your professionalism and dedication to ensuring compliance with F.S.S. 951.23(9e) and our own department policies.

After a complete review of your findings, I acknowledge the identified gap in our processes and appreciate the recommendation. I fully agree that a more structured approach is necessary to ensure transparency and adherence to statutory requirements. I commit to promptly implementing the recommended changes, including updating the policy, establishing a more formalized committee, and scheduling regular meetings with the committee either in person or via group email. I believe that these recommended adjustments will strengthen the oversight and approval process, ensuring expenditures align with the intended purpose of the Inmate Welfare Fund.

On behalf of our entire team here at the Okaloosa County Department of Corrections, I would like to express our gratitude for your thoroughness, understanding, and cooperation with our staff during the audit. Throughout the entire process, you provided very clear questions and worked extremely well with our team as we researched to obtain accurate responses.

If you have any further insights or recommendations, please feel free to share them with our team. I look forward to continued collaboration in upholding the highest standards in our financial practices.

Sincerely,

Nolan S. Weeks III
Director of Corrections/Chief
Okaloosa County Department of Corrections



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Accredited by the Florida Corrections Accreditation Commission

