



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued September 26, 2019

Franklin County Sheriff's Office

For the period July 1, 2016 through June 30, 2018





Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

September 26, 2019

Sheriff Christopher Donelan
Franklin County Sheriff's Office
160 Elm Street
Greenfield, MA 01301

Dear Sheriff Donelan:

I am pleased to provide this performance audit of the Franklin County Sheriff's Office. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2016 through June 30, 2018. My audit staff discussed the contents of this report with management of the office, whose comments are reflected in this report.

I would also like to express my appreciation to the Franklin County Sheriff's Office for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue horizontal line.

Suzanne M. Bump
Auditor of the Commonwealth

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
OVERVIEW OF AUDITED ENTITY	2
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY	4
DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE.....	7
1. The Franklin County Sheriff's Office had deficiencies in its administration of \$647,541 in contracts.....	7
2. FCSO had deficiencies in its administration of staff overtime.	9

LIST OF ABBREVIATIONS

FCSO	Franklin County Sheriff's Office
MAT	medication-assisted treatment
MMARS	Massachusetts Management Accounting and Reporting System
OSA	Office of the State Auditor
SSTA	Self-Service Time and Attendance

EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has performed an audit of the Franklin County Sheriff's Office (FCSO) for the period July 1, 2016 through June 30, 2018. In this performance audit, we examined FCSO's activities related to the appropriateness of its non-payroll expenses, its process for contracting for goods and services, its oversight of staff overtime, and its administration of the Medication Assisted Treatment (MAT) Program. For our review of MAT Program case plans, we revised our scope to include case plans for inmates released from FCSO from January 1, 2018 through December 31, 2018.

Below is a summary of our findings and recommendations, with links to each page listed.

Finding 1 Page <u>7</u>	FCSO had deficiencies in its administration of \$647,541 in contracts.
Recommendation Page <u>8</u>	FCSO should establish monitoring controls over its contracting process to ensure that established policies and procedures in this area are followed.
Finding 2 Page <u>9</u>	FCSO had deficiencies in its administration of staff overtime.
Recommendations Page <u>10</u>	<ol style="list-style-type: none">1. FCSO should take the measures necessary to ensure that all overtime authorization forms are approved, completed, and retained for all instances of overtime earned by staff members.2. FCSO should ensure that all overtime earned by staff members is reconciled to overtime authorization forms.

OVERVIEW OF AUDITED ENTITY

The Franklin County Sheriff's Office (FCSO) was established as an independent state agency on July 1, 1997 as a result of the abolishment of Franklin County, pursuant to Chapter 151 of the Acts of 1996. Section 12 of Chapter 34B of the Massachusetts General Laws made the Sheriff an employee of the Commonwealth on July 1, 1998, but the Sheriff remained an elected official and retained administrative and operational control of FCSO.

According to FCSO's General Order 346, titled "Internal Control," the agency's primary mission is "the protection of the public." The order also states,

*The Sheriff's Office provides public safety and demonstrates its **commitment to the community** by providing the following services:*

- *Operation of a Regional Correctional System (Jail, House of Correction, Correctional Reentry Program).*
- *Transportation of prisoners to and from the divisions of the trial court.*
- *Detention of pre-arraignment arrestees.*
- *Service of Judicial Process.*
- *Community Policing / Crime Prevention Programs for the benefit of senior citizens.*

FCSO offers various inmate programs to prepare inmates for life after incarceration. These programs include, but are not limited to, behavioral health support, education, and vocational training; reentry support after incarceration; and substance use disorder treatment.

In addition, FCSO offers medication-assisted treatment (MAT) for opioid use disorder. According to FCSO's website,

As of 2018, over 40% of people incarcerated at the Franklin County Jail self-identified as an opioid user. People leaving jail are at 50 times the risk of overdose death than the general public.

To combat this public health crisis, in 2016, FCSO became the first jail in Massachusetts, and one of the first in the nation, to offer buprenorphine/naloxone (commonly known as suboxone) widely to incarcerated patients.

FCSO currently offers three types of MAT:

- *Naltrexone (Vivitrol)*

- *Buprenorphine/Naloxone (Suboxone)*
- *Naloxone (Narcan)*

According to FCSO, there were 223 employees at FCSO as of June 30, 2018. During the audit period, FCSO had an average of 236 inmates, with a housing capacity of 333 inmates. For its operations, FCSO received state appropriations of \$15,112,242 in fiscal year 2017 and \$15,914,487 in fiscal year 2018.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor (OSA) has conducted a performance audit of certain activities of the Franklin County Sheriff's Office (FCSO) for the period July 1, 2016 through June 30, 2018. For our review of Medication Assisted Treatment (MAT) Program case plans, we revised our scope to include case plans for inmates released from FCSO from January 1, 2018 through December 31, 2018.

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

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

Objective	Conclusion
1. Were the non-payroll expenses that FCSO incurred supported and directly applicable to the office's mission?	Yes
2. Did FCSO administer its contracting process for goods and services in accordance with its policies?	No; see Finding <u>1</u>
3. Did FCSO ensure that overtime was reconciled to overtime authorization forms?	No; see Finding <u>2</u>
4. Did FCSO document case plans for sentenced inmates in the MAT Program upon release?	Yes

To achieve our objectives, we gained an understanding of the internal controls we determined to be relevant to our audit objectives by reviewing applicable laws, regulations, and agency policies and procedures, as well as conducting inquiries with FCSO's staff and management. We evaluated the design and effectiveness of controls over non-payroll expenses, contracting, and staff overtime and determined whether they operated as intended during the audit period.

Additionally, we performed the procedures described below.

Non-Payroll Expenses

We obtained FCSO state appropriation expenditure data from the Massachusetts Management Accounting and Reporting System (MMARS) and selected a nonstatistical judgmental sample of 45 non-payroll transactions (totaling \$429,308) from a population of 3,953 transactions (totaling \$7,755,743) that FCSO made during our audit period. We requested supporting documentation, such as invoices and purchase orders, and analyzed it to determine whether the expenditures were supported and directly applicable to FCSO's mission.

Contracting Process

We obtained FCSO state appropriation expenditure data from MMARS and summarized it by fiscal year and by vendor for our audit period. We selected a nonstatistical judgmental sample of 25 vendors (with payments totaling \$1,575,719) from a population of 111 vendors (with payments totaling \$5,194,609). These 25 vendors all received payments of at least \$10,000 (the amount specified in FCSO policies as requiring a contract) within a fiscal year covered by our audit period. We reviewed the procurement files for these vendors to assess whether goods and services were procured in accordance with FCSO's policies.

Overtime

We obtained records from MMARS of all overtime paid from FCSO's state appropriation for overtime worked during the audit period. We used a stratified sampling method to select a sample of 82 overtime payments (totaling \$50,073) from a population of 2,302 (totaling \$792,263). We identified the five employees who were paid the most for overtime during the audit period (representing 218 overtime payments, totaling \$205,483) and judgmentally selected 7 overtime payments for each employee (35 payments, totaling \$37,612). We also selected a nonstatistical random sample of 47 overtime payments (totaling \$12,461) from the population of 2,084 overtime payments for the remaining employees (totaling \$586,780). We reviewed timesheets for each pay period selected, as well as the corresponding overtime authorization forms (which FCSO management uses to document the need for the overtime and approve overtime hours), to determine whether the sample of overtime payments reconciled to the amounts of overtime documented and authorized.

MAT Program

We obtained MAT Program participation data from FCSO's staff and selected a nonstatistical judgmental sample of 10 sentenced inmates who were released in calendar year 2018 from a population of 49 inmates. We reviewed inmate files to determine whether FCSO documented case plans for inmates upon release that included counseling and healthcare information.

Data Reliability

In 2018, OSA performed a data reliability assessment of MMARS, focused on testing selected system controls (access controls, application controls, configuration management, contingency planning, and segregation of duties) for the period April 1, 2017 through March 31, 2018. In addition, as part of our current audit we tested controls in place over FCSO's security awareness training and personnel security. Further, we selected a random sample of 30 invoices from FCSO's files and determined whether the information on the invoices matched the data in MMARS. We also selected 30 transactions from MMARS and traced the information to physical documentation (invoices). We determined that the information from MMARS for our audit period was sufficiently reliable for the purposes of our audit work.

We determined the reliability of data obtained from the state's Self-Service Time and Attendance (SSTA) system by performing interviews and observations and testing certain information technology controls over security management, segregation of duties, and access controls. We also traced a sample of SSTA data to original source documents and MMARS data, and we traced data from source documents and MMARS to SSTA data. We determined that the data from SSTA were sufficiently reliable for the purposes of this audit.

We used a Microsoft Excel tracking log spreadsheet provided by FCSO to identify the population of MAT Program participants released from custody. We analyzed the spreadsheet by testing for hidden data, columns, worksheets, formulas, duplicates, and active filters. We traced a judgmental sample of 10 program participant case files to data in the spreadsheet. Additionally, we judgmentally selected 10 case files to determine whether the spreadsheet properly listed MAT Program participants. We determined that the data were sufficiently reliable for the purposes of this report.

Whenever sampling was used, we applied a nonstatistical approach, and as a result, we were not able to project our results to the entire population.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. The Franklin County Sheriff's Office had deficiencies in its administration of \$647,541 in contracts.

During our audit period, the Franklin County Sheriff's Office (FCSO) did not properly administer certain aspects of its contracting process regarding the procurement of \$647,541 in goods and services. Specifically, our review of 25 vendor contract files identified issues with 8 files (32%), as follows:

- In three vendor contract files that represented contracts totaling \$313,847, expenditures over \$50,000 did not have evidence of Requests for Response being posted on Comm-PASS¹ or in the *Goods and Services Bulletin*² or distributed to at least three potential bidders.
- In two vendor contract files that represented contracts totaling \$35,708, expenditures between \$10,000 and \$50,000 did not have evidence that FCSO requested verbal quotes from at least three qualified bidders.
- In three vendor contract files that represented contracts totaling \$297,986, FCSO appeared to have determined that the contracts were exempt from competitive procurement but had not included Competitive Procurement Exception Explanation Forms documenting why the vendor contract files qualified for exceptions. Two of the vendors performed legal services, and one performed computer software maintenance.

As a result, the Commonwealth cannot be certain that these procurements were conducted openly and fairly or that FCSO obtained these goods and services at the best possible value.

Authoritative Guidance

The "Thresholds for [Request for Response] Distribution to Potential Bidders by Sheriff's Office" (an attachment to FCSO's General Order 340, "Policy Governing the Procurement of Commodities and/or Services") requires that, for expenditures totaling \$50,000 or more, a Request for Response be posted on Comm-PASS or in the *Goods and Services Bulletin* or distributed to three potential bidders. For expenditures totaling between \$10,000 and \$50,000, FCSO is required to request verbal quotes from at least three qualified vendors.

1. Comm-PASS was the previous name of the state online procurement platform, now called COMMBUYS. According to mass.gov, COMMBUYS "links public purchasers in search of products and services with vendors who are able to provide them."

2. According to the website of the Secretary of the Commonwealth, "The Goods and Services Bulletin is a weekly publication containing solicitations for the procurement of commodities and services."

Section .06 of General Order 340 lists FCSO's contract documentation requirements for all purchases:

All acquisitions of Commodities and/or Services must be competitively procured unless the acquisition qualifies as one of the exceptions listed under section .05, Competitive Procurement Exceptions, of this policy.

Section .05 of General Order 340 details the list of exceptions. Specifically, FCSO did not comply with the following items:

- 11. The services of attorneys. . . . (Include the Office of the Sheriff's Competitive Procurement Exception Explanation Form in the vendor procurement file.) . . .*
- 14. The procurement of . . . software maintenance without competition when, after reasonable investigation, the Sheriff's Office determines in writing that only one practicable source for the required . . . service exists. . . . (Include the Office of the Sheriff's Competitive Procurement Exception Explanation Form in the vendor procurement file.)*

Reasons for Noncompliance

FCSO management could not provide a reason that these deficiencies occurred. However, FCSO has not established any monitoring controls to ensure that established policies and procedures are followed.

Recommendation

FCSO should establish monitoring controls over its contracting process to ensure that established policies and procedures in this area are followed.

Auditee's Response

We are focused on improving our processes to ensure we have the appropriate documentation in the individual vendor files to prove we follow our own procurement policies. Our policy is clear on the need for competitive bids, quotes and allowable exemptions, however we haven't been diligent in including the appropriate paperwork in our purchasing files. We will be providing additional oversight and training to ensure compliance with process and documentation requirements.

Auditor's Reply

Based on its response, FCSO is taking measures to address our concerns on this matter.

2. FCSO had deficiencies in its administration of staff overtime.

We identified one instance in our sample of 82 overtime payments where an employee who earned 12 hours of premium overtime³ during a pay period was paid for 4 hours of premium overtime and 8 hours of straight overtime. In this sample of 82 payments, we also found one instance where FCSO could not locate an employee's overtime authorization form, and therefore we could not review the form to determine whether authorized overtime was reconciled to amounts paid.

Additionally, in a sample of 94 overtime payments, there were five instances in which a form could not be located and two in which a completed form had not been authorized by a supervisor. In one of the instances where the form was missing, FCSO obtained email approval of the overtime from the supervisor instead of completing the required form. As a result of these issues, FCSO cannot demonstrate that all overtime pay was appropriate.

Authoritative Guidance

Under FCSO's "Recording Employee Time and Attendance" directive, each staff member who works overtime submits a form documenting overtime worked to his/her direct supervisor for approval. The supervisor sends the form to the Human Resources Department, which is required to reconcile the form to employee attendance records to ensure that overtime is supported and reported correctly in the state payroll system that FCSO uses, Self-Service Time and Attendance (SSTA). The form requires the supervisor's signature.

Section .10 of FCSO's General Order 345, "Payment Procedures," states,

The original (if available) or copy of fiscal documents shall be systematically filed and maintained to facilitate later retrieval for audit purposes.

General Order 345 documents policies for the expenditure of funds from appropriated accounts, which include payroll expenditures. Therefore, FCSO should retain overtime authorization forms.

Reasons for Issues

At the time the questioned payments were made, SSTA was set up to automatically calculate overtime based on hours worked. SSTA reduced premium overtime hours and converted the hours to straight

3. Premium overtime is paid at one and a half times the employee's standard hourly rate for work that exceeds the employee's normal, scheduled full-time work week. In contrast, straight overtime is paid at the standard hourly rate for work that exceeds a worker's scheduled hours, if the total hours worked do not exceed a full-time work week.

overtime if an employee used sick time during the week. However, FCSO labor union agreements and policies do not contain language stating that premium hours will be reduced if sick time is used. This error was not identified by the FCSO Human Resources Department during the reconciliation process. FCSO officials told us that after we notified them, they immediately had settings in SSTA changed to agree with FCSO's policies, and that this issue should not happen again in the future. FCSO also immediately corrected the error, and the premium overtime owed to the employee was included in the employee's next paycheck.

FCSO officials told us that the overtime would not have been paid without overtime authorization forms and that some of the missing forms we requested were misplaced. In two instances of missing forms, the employees in question had subsequently retired, so FCSO could not obtain forms from them. In the instance where overtime was approved with an email instead of a form, FCSO told us that this was only done in limited circumstances, when the supervisor was unavailable because of retirement. Finally, during the audit, FCSO officials told us that processing overtime payments without supervisor approval was an oversight by the FCSO Human Resources Department.

Recommendations

1. FCSO should take the measures necessary to ensure that all overtime authorization forms are approved, completed, and retained for all instances of overtime earned by staff members.
2. FCSO should ensure that all overtime earned by staff members is reconciled to overtime authorization forms.

Auditee's Response

We will continue to employ our own policy on approving overtime. We are quite diligent in getting signatures and we do not pay overtime without supervisory approval. More of the challenge may be in ensuring we take a different approach on where we file these forms so that they can always be available upon request. No employee makes a decision on their own overtime and we do not pay overtime without a supervisor's approval so again, the opportunity here is in how/where we store these approval forms.

I'm confident [in] the processes we have in place, minimally, to prevent us from over-paying overtime, while we have systems in place to allow for prompt payment of approved overtime should it be determined that overtime was worked.

Auditor's Reply

Based on its response, FCSO is taking measures to ensure that all overtime authorization forms are completed, retained, and reconciled. However, as noted above, we identified two instances where FCSO

did not have documented approval of overtime authorization forms. Therefore, FCSO should also ensure that overtime authorization forms are approved for all overtime earned by staff members.