



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

Making government work better

Official Audit Report – Issued April 11, 2019

Suffolk County Sheriff's Department

For the period July 1, 2015 through December 31, 2017





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Making government work better

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Sheriff Steven W. Tompkins
Suffolk County Sheriff's Department
20 Bradston Street
Boston, MA 02118

Dear Sheriff Tompkins:

I am pleased to provide this performance audit of the Suffolk County Sheriff's Department. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2015 through December 31, 2017. My audit staff discussed the contents of this report with management of the agency, whose comments are reflected in this report.

I would also like to express my appreciation to the Suffolk County Sheriff's Department 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 circular background.

Suzanne M. Bump
Auditor of the Commonwealth

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LIST OF ABBREVIATIONS

EOAF	Executive Office for Administration and Finance
ICE	US Immigration and Customs Enforcement
ICP	internal control plan
MMARS	Massachusetts Management Accounting and Reporting System
MSA	Massachusetts Sheriffs' Association
OSA	Office of the State Auditor
SCSD	Suffolk County Sheriff's Department

EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of the Suffolk County Sheriff's Department (SCSD) for the period July 1, 2015 through December 31, 2017. In this performance audit, we reviewed SCSD's administrative expenditures, procurement of goods and services, and administration of staff overtime.

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

Finding 1 Page 7	SCSD did not properly approve \$25,599 in payroll expenses, including \$17,734 in overtime payments.
Recommendations Page 8	<ol style="list-style-type: none">1. SCSD should take the measures necessary to ensure that all Time and Attendance Roster Forms are properly reviewed and approved.2. SCSD should consider amending its current procedures to require that the assistant superintendent of operations or their designee who reviews the daily Time and Attendance Roster Forms also sign off on the forms to acknowledge that this review has been performed.3. SCSD should establish monitoring controls to ensure that these procedures are followed.
Finding 2 Page 9	SCSD did not submit required inmate total cost analysis reports.
Recommendation Page 9	SCSD should work with the Massachusetts Sheriffs' Association and the Executive Office for Administration and Finance to obtain the information it needs to make sure it files its annual cost reports within the prescribed timelines.

Post-Audit Action

SCSD's director of human resources stated that SCSD would review and strengthen its internal controls over the processing of payroll and instruct all shift commanders and assistant superintendents about the appropriate procedures for approving daily Time and Attendance Roster Forms.

OVERVIEW OF AUDITED ENTITY

The Suffolk County Sheriff's Department (SCSD) was established as an independent state agency on August 6, 2009, when the Suffolk County government was abolished.¹ The Sheriff became an employee of the Commonwealth but remained an elected official and retained administrative and operational control over SCSD. In 2017, SCSD had 1,129 employees, 836 of whom were full-time correction officers, who supervised and cared for the inmates in SCSD's custody.

SCSD operates the Suffolk County House of Correction, located at 20 Bradston Street in Boston. This facility, which was opened in 1991, is used for the care and custody of people who are sentenced or awaiting trial, as well as federal detainees who are undergoing deportation proceedings with US Immigration and Customs Enforcement (ICE). SCSD reported that as of December 27, 2017, 800 inmates and 167 ICE detainees lived at the House of Correction. SCSD also operates the Suffolk County Jail, located at 200 Nashua Street in Boston, which housed 608 inmates who either had been sentenced or were awaiting trial as of December 27, 2017.

According to SCSD's internal control plan,

The primary Mission of the Sheriff's Department . . . shall be:

- *To enforce the laws of the Commonwealth and to serve and protect the citizens of Suffolk County.*
- *To strengthen public safety through corrections and providing specialized support services to all criminal justice agencies.*
- *To maintain the safe and secure custody and control of inmates and detainees while offering extensive rehabilitation opportunities to effectively reduce offender recidivism.*

SCSD's state budget appropriation was \$104,492,346 in fiscal year 2016, \$103,447,423 in fiscal year 2017, and \$105,516,371 in fiscal year 2018 (July 1, 2017 through December 31, 2017). SCSD was also reimbursed by ICE, for the housing of federal detainees, \$5,330,938 for fiscal year 2016, \$6,188,940 for fiscal year 2017, and \$3,274,380 for the first half of fiscal year 2018.

1. Chapter 61 of the Acts of 2009, which was enacted on August 6, 2009, transfers, except where specified, all functions, duties, and responsibilities of certain sheriffs' offices to the Commonwealth. The transition was completed on January 1, 2010.

SCSD received additional revenue from the following federal programs.

Program	State Fiscal Year 2016	State Fiscal Year 2017	Total
Adult Education	\$ 267,510	\$ 277,682	\$ 545,192
Federal Inmate Reimbursement*	585,122	1,697,930	2,283,052
Justice Assistance Grant	139,297	0	139,297
Suffolk County Sexual Assault Prevention Collaborative	2,475	0	2,475
Total	<u>\$ 994,404</u>	<u>\$ 1,975,612</u>	<u>\$ 2,970,016</u>

* Federal Inmate Reimbursement represents additional miscellaneous revenue for the care of federal detainees that is not calculated in the housing cost.

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 Suffolk County Sheriff's Department (SCSD) for the period July 1, 2015 through December 31, 2017. For our overtime audit objective, we extended our audit period through April 26, 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 certain administrative expenses executed in accordance with SCSD's policies and procedures, and did they directly support SCSD's mission?	Yes
2. Did SCSD properly administer its revenue and its contracting process for goods and services in accordance with its internal control policies and procedures, the Massachusetts Sheriffs' Association's (MSA's) budgetary requirements, and any contractual agreements?	No; see Finding 2
3. Did SCSD properly administer overtime for its employees who received the most overtime, in accordance with its policies and procedures?	No; see Finding 1

To achieve our objectives, we gained an understanding of the internal controls related to our audit objectives by reviewing applicable laws and agency policies and procedures, as well as conducting interviews with SCSD management. We evaluated the design and tested the operating effectiveness of controls over the following areas: administrative expenses, contractual procurement of goods and services, and administration of SCSD employee overtime.

Based on OSA's two most recent (2014 and 2018) data-reliability assessments of the Massachusetts Management Accounting and Reporting System (MMARS), which focused on testing selected system

controls (access controls, application controls, configuration management, contingency planning, and segregation of duties), and our current comparison of source documentation with MMARS information, we determined that the information obtained from MMARS for our audit period was sufficiently reliable for the purposes of our audit work. Further, to verify our sample population of expenditures, we selected six invoices from SCSD's files and determined whether the information on the invoices matched the data in MMARS. To assess the reliability of inventory data, we selected 15 items in the SCSD facility and determined whether they were on the inventory list SCSD provided and whether the tag numbers affixed to them matched their tag numbers on the inventory list. Finally, we extracted from MMARS a list of SCSD employees who received overtime payments during our audit period and compared it to information produced by SCSD to determine the accuracy of the records.

Based on the results of these data reliability assessment procedures, we determined that the information obtained for our audit period was sufficiently reliable for the purposes of our audit work.

Administrative Expenses

To determine whether administrative expenses such as credit card expenditures and travel expenses were accurately recorded, properly supported, and approved in accordance with SCSD policies and procedures, as well as whether they directly supported SCSD's mission, we selected a nonstatistical sample of 20 transactions for SCSD administrative expenses (totaling \$12,914) out of a population of 113 transactions (totaling \$87,885) that were recorded in MMARS during the audit period. We reviewed the documentation SCSD maintained for each transaction and determined whether expenditures were related to SCSD activities, were properly calculated, and had sufficient documentation. We also determined whether invoice amounts matched expenditure amounts and invoices were properly approved and marked as paid. To assess whether assets were properly inventoried, we judgmentally selected 30 out of 573 items from SCSD's inventory list, located them, and determined whether they had inventory tags affixed and whether the tags were properly recorded. Additionally, we reviewed purchase orders and invoices to determine whether assets were represented accurately on SCSD's inventory list.

Contract Administration

To determine whether SCSD properly administered its contracting process for goods and services, we selected a judgmental sample of 4 contracts (totaling \$72,741,707) out of 42 contracts (totaling

\$108,193,775) that SCSD awarded during our audit period. We reviewed the contract files to determine whether each contract was awarded in accordance with SCSD policies and procedures, the procurement and award process was properly documented, completion certificates² were signed and dated, and the services rendered were appropriate for SCSD's mission. We reviewed SCSD's contract with Securas, the company that provides inmate telephone services, and determined whether SCSD commissions³ were used for the benefit of inmates and detainees. Finally, we reviewed SCSD's contract with US Immigration and Customs Enforcement regarding the housing of detainees and all supporting documentation and determined whether SCSD submitted inmate total cost analysis reports⁴ to the appropriate agencies.

Overtime

To determine whether overtime was properly managed and approved for SCSD correction officers, we selected one payroll date for each of the 43 correction officers who received the most overtime payments through April 26, 2018. We then reviewed the applicable Time and Attendance Roster Forms⁵ to determine why employees were required to work overtime and whether overtime had the required supervisory approval. Further, we determined whether the amounts paid were accurate by comparing payroll data in SCSD's internal payroll system to data in the Commonwealth's payroll system.

We used a nonstatistical sampling approach for our testing and therefore cannot project our results to the entire population.

The table below summarizes the overtime SCSD paid its correction officers and jailers⁶ during our audit period.

Fiscal Year	Overtime Expenditures
2016	\$9,780,988
2017	\$12,991,995
2018 (through December 31, 2017)	\$3,688,303

2. These certificates verify that a job or service was completed in accordance with the terms of its contract.

3. Under SCSD's contract with Securas, a percentage of the revenue the company generates from the inmate telephone services it provides is paid to SCSD.

4. These reports are compiled by each sheriff's office in conjunction with MSA and detail the total costs for the care and custody of inmates for each facility and department.

5. These forms are completed daily either on paper or electronically and contain employee time and attendance information.

6. These amounts were paid to correction officers, who worked at the Suffolk County House of Correction, or jailers, who worked at the Suffolk County Jail. Other SCSD employees, such as administrative personnel, were paid overtime during our audit period, but these amounts are not reflected in the table.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. The Suffolk County Sheriff's Department did not properly approve \$25,599 in payroll expenses, including \$17,734 in overtime payments.

In many instances, overtime for the Suffolk County Sheriff's Department's (SCSD's) correction officers was not properly approved. Specifically, we reviewed the Time and Attendance Roster Forms for one payroll date for each of the 43 correction officers in our sample. We found that 38 (88%) were paid \$17,734 for overtime that was not approved by an SCSD shift commander, and there was no evidence that the overtime had been reviewed by the assistant superintendent of operations. In addition, these 38 correction officers were paid \$7,865 for non-overtime work hours that were not properly approved. As a result, SCSD management cannot be certain that all the compensation provided to these correction officers on these days was appropriate.

Authoritative Guidance

The "Payroll Processing Procedures" section of SCSD's internal control plan (ICP) states,

- 3.12. Shift Operations: Shift commanders complete the daily entry of employee time and attendance information on approved paper or electronic roster forms authorizing the payment of these reported hours.*
- 3.12.1. A signature on the paper roster, or an email with the attached electronic roster, certifies the information as accurate and ready for processing.*
- 3.13. The [assistant superintendent of operations], or designee, reviews the daily roster forms for the accuracy, authorization and necessity of overtime and time-off use.*

Reasons for Issue

SCSD management stated that they believed the submission of paper Time and Attendance Roster Forms by the shift commanders in the presence of an assistant superintendent was sufficient to ensure that controls over payroll, including overtime use, as outlined in the SCSD ICP, were properly executed. However, this practice is not consistent with SCSD's payroll processing procedures, which require that shift commanders sign off on employee Time and Attendance Roster Forms. In the Office of the State Auditor's (OSA's) opinion, the process described does not provide adequate control over the processing of payroll, including overtime, because there is no documentation to substantiate that the information on the rosters in question had supervisory-level review and approval.

Recommendations

1. SCSD should take the measures necessary to ensure that all Time and Attendance Roster Forms are properly reviewed and approved.
2. SCSD should consider amending its current procedures to require that the assistant superintendent of operations or their designee who reviews the daily Time and Attendance Roster Forms also sign off on the forms to acknowledge that this review has been performed.
3. SCSD should establish monitoring controls to ensure that these procedures are followed.

Auditee's Response

*SCSD disputes the statement by the Office of the State Auditor that, "SCSD management cannot be certain that all the compensation provided to these [correction] officers was appropriate." SCSD has long utilized the following practice of authorizing and reviewing all overtime in accordance with Section 3.12.1 of our Internal Control Plan: **"A signature on the paper roster, or an email with the attached electronic roster, certifies the information as accurate and ready for processing."***

Accordingly, the assertion that, 88% of the overtime reviewed was not approved by an SCSD shift commander is factually inaccurate. The authorization process utilized required the shift commanders to select the employees to work the overtime shift, assign them to the vacant post to work, and, finally, document the overtime hours worked onto the Time and Attendance Roster Forms, which they then e-mail to the Human Resources Division for processing.

The shift commander then forwards a physical copy of the Time and Attendance Roster Form to the Assistant Superintendent of Operations (ASO) for supervisory-level review and approval of reported hours. The ASO files these Time and Attendance Roster Forms in a dated folder, along with all other reports and paperwork from that day, for record-keeping purposes and future reference. These measures provide management the assurance that overtime assignments were necessary and authorized.

Notwithstanding this practice, the Department acknowledges the Auditor's finding that the absence of the ASO acknowledgment could allow someone to question whether a supervisory-level review occurred. Based on the recommendation of the Auditors, SCSD immediately modified the payroll approval process by requiring the shift commanders to sign, and the ASO to initial, the printed copies of the Time and Attendance Roster Forms that are filed in the daily folders, thus establishing clear evidence of their review and approval of overtime and time-off use.

Auditor's Reply

Although SCSD asserts in its response that it follows the guidance in its ICP, we found that this was not always the case. Specifically, as noted above, for the correction officers in our sample, 38 (88%) were paid \$17,734 for overtime that was not approved by an SCSD shift commander, and there was no evidence, including an email with the attached electronic roster, that the overtime had been reviewed

by the assistant superintendent of operations. As a result, in OSA's opinion, SCSD management cannot be certain that all the compensation provided to these correction officers on these days was appropriate. However, based on its response, SCSD is taking measures to address our concerns in this area.

2. SCSD did not submit required inmate total cost analysis reports.

SCSD did not prepare, and submit to the appropriate government agencies and legislative committees, inmate total cost analysis reports⁷ for fiscal years 2016 and 2017. As a result, these governmental entities may not have had all the information they needed to properly inform their consideration of any policy, operational, or financial issues regarding SCSD's operations.

Authoritative Guidance

According to Line Item 8910-7110 in the Commonwealth's fiscal year 2018⁸ budget summary,

Each sheriff's office shall . . . report, in a format designated by the [Massachusetts Sheriffs' Association], in consultation with the executive office for administration and finance, fiscal year 2017 total costs per inmate by facility and by department not later than December 1, 2017; provided further, that each sheriff's office shall submit the report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety and homeland security, the executive office of public safety and security, the Massachusetts Sheriffs' Association and the department of correction.

Reasons for Issue

According to SCSD management, the Executive Office for Administration and Finance (EOAF) was delayed in providing the Massachusetts Sheriffs' Association (MSA) with the applicable cost reports and its changes to the cost report template so that MSA could forward this information to Massachusetts sheriffs' departments in a timely manner.

Recommendation

SCSD should work with MSA and EOAF to obtain the information it needs to make sure it files its annual cost reports within the prescribed timelines.

7. Inmate total cost analysis reports are compiled by each sheriff's department in conjunction with the Massachusetts Sheriffs' Association and detail the total costs for the care and custody of inmates for each facility and department.

8. The fiscal year 2017 budget included the same requirement for the previous fiscal year.

Auditee's Response

It should be noted that the SCSD made many efforts to complete and submit the inmate cost reports on time, however due to the circumstance of reliance upon another state agency to complete critical tasks as stated in the legislation, SCSD was unfortunately not able to meet the deadlines.

The 8910-7110 Massachusetts Sheriff's Association ("MSA") Budget Language for both FY2016 and FY2017 specifically required that the inmate total cost reports be submitted ". . . in a format designated by the [Massachusetts Sheriffs' Association] in consultation with the executive office for administration and finance [ANF]. . . ."

Unfortunately, due to complexities involved in the process, ANF did not complete the format nor produce final numbers for nearly two years. ANF was not able to provide the final expenditure numbers until after the December 1, 2017 deadline. Consequently, on December 1, 2017, the MSA notified the appropriate members of the governmental agencies and legislative bodies by email, requesting additional time to prepare the reports. Several days later when the final expenditure numbers were received and agreed upon, the MSA immediately collaborated with all the individual sheriffs' departments and the SCSD's reports were completed and submitted shortly thereafter.

On December 15, 2017, the SCSD's FY2016 inmate total cost analysis and the FY2017 inmate total cost analysis were provided by hand delivery to all the governmental agencies and legislative bodies stated in the 8910-7110 MSA Line Item language.

Going forward, the SCSD will continue to make every effort to comply with legislated reporting requirements, working with cooperating state agencies to achieve the goal of accurate and on-time compliance with legislative mandates.