



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

Making government work better

Official Audit Report – Issued December 19, 2016

Hampden Sheriff's Department

For the period July 1, 2015 through September 30, 2016





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Sheriff Michael J. Ashe
Hampden Sheriff's Department
627 Randall Road
Ludlow, MA 01056

Dear Sheriff Ashe:

I am pleased to provide this performance audit of the Hampden Sheriff's Department. This report details the audit objectives, scope, methodology, and conclusions for the audit period, July 1, 2015 through September 30, 2016. 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 Hampden 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 "SMBump".

Suzanne M. Bump
Auditor of the Commonwealth

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LIST OF ABBREVIATIONS

ICP	internal control plan
MMARS	Massachusetts Management Accounting and Reporting System
OSA	Office of the State Auditor
OSC	Office of the State Comptroller
SDH	Hampden 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 performed an audit of various activities of the Hampden Sheriff's Department (SDH) for the period July 1, 2015 through September 30, 2016. The current Sheriff of Hampden County will retire after 42 years of service, and the newly elected Sheriff will be sworn in, on January 4, 2017; the conclusions reached in this report refer to office operations in effect during the current administration. The outgoing Sheriff requested the audit to review the status of certain fiscal and administrative operations in effect, to ease the transition to the newly elected Sheriff, and to identify any areas needing corrective action and improvement.

Based on our audit, we have concluded that SDH has established adequate controls and practices in the areas we reviewed that were related to our audit objectives. We did not identify any significant deficiencies in those areas.

OVERVIEW OF AUDITED ENTITY

The Hampden Sheriff's Department (SDH) was established as a state agency on July 1, 1998, as a result of the abolition of Hampden County pursuant to Chapter 48 of the Acts of 1997. Chapter 127 of the Acts of 1999 amended the Massachusetts General Laws by adding Chapter 34B, under which the Sheriff became an employee of the Commonwealth, remained an elected official, and retained administrative and operational control over SDH. As presently structured, SDH is responsible for running and overseeing all aspects of its programs and facilities: the SDH administrative offices, the Hampden County Jail and House of Correction, the Western Massachusetts Regional Women's Correctional Center, the Pre-Release Center, York Street Industries, the Western Massachusetts Correctional Addiction Center, and the Community Safety Center. It also operates programs for adult education, substance-abuse treatment, volunteering, and other purposes. In addition to its correctional programs, SDH is responsible for the service of legal papers and notices through its Civil Process Division.

SDH houses its inmates in secure facilities; inmates are required to leave SDH grounds for various events, such as medical appointments, court events, and outside correctional services. According to inmate counts provided by SDH, as of the end of the audit period SDH housed 1,535 inmates.

During our audit period, SDH was appropriated \$153,085,305 of state funds to cover operational expenses. A detailed breakdown of each state appropriation and its purpose is shown below.

Appropriation Breakdown

Appropriation Name	Description	Fiscal Year 2017	Fiscal Year 2016
HAMPDEN SHERIFF'S DEPARTMENT	For the operation of the Hampden sheriff's office	\$70,957,484	\$71,726,757
HAMPDEN SHERIFF REGIONAL MENTAL HEALTH STAB UNIT	For the operations of a regional behavioral evaluation and stabilization unit	\$1,087,493	\$1,087,493
HAMPDEN SHERIFF INMATE TRANSFERS	For costs related to department of correction inmates . . . who have been transferred to the Hampden sheriff's office	\$542,605	\$542,605
WESTERN MASS REGIONAL WOMEN'S CORRECTION	For the operation of the Western Massachusetts Regional Women's Correctional Center	\$3,570,434	\$3,570,434

* Appropriation names and descriptions are quoted from SDH appropriations 8910-0102, 8910-1010, 8910-1020, and 8910-1030.

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 Hampden Sheriff's Department (SDH) for the period July 1, 2015 through September 30, 2016.

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 and the conclusion we reached regarding each objective.

Objective	Conclusion
1. Has SDH developed an internal control plan (ICP) that is consistent with the requirements of the Office of the State Comptroller's (OSC's) Internal Control Guide?	Yes
2. Does SDH comply with the requirements of Chapter 647 of the Acts of 1989 by reporting all instances of unaccounted-for variances, losses, shortages, or thefts of funds or property to OSA?	Yes
3. Does SDH have proper budgeting practices in place to ensure that its annual funding is sufficient to meet its operational needs?	Yes
4. Does SDH ensure that state appropriation expenditures for employee compensation and purchases of goods and services that cost \$10,000 or more are authorized, allowable, and properly documented?	Yes
5. Are SDH facilities adequately secured to prevent prisoner escapes?	Yes

To achieve our objectives, we gained an understanding of the internal controls we considered significant to our audit objectives and evaluated the design and effectiveness of controls over budgeting, administrative expenditures, and payroll expenditures.

We conducted further audit procedures as follows:

- We obtained and reviewed SDH's ICP and OSC's Internal Control Guide. The Internal Control Guide includes an ICP checklist, identifying the eight components of enterprise risk management and 17

sub-attributes of those components, to guide state agencies in developing ICPs. We used all 17 sub-attributes as our population to test SDH's ICP for compliance with the Internal Control Guide, reviewing the ICP to verify the existence of all 17 sub-attributes.

- To assess whether SDH complied with the requirement to report “unaccounted for variances, losses, shortages, or thefts of funds or property” to OSA under Chapter 647 of the Acts of 1989, we interviewed key personnel involved with reporting and reviewed the legislation details, SDH's ICP, and SDH's policies related to losses. We also performed the following procedure:
 - We identified in SDH's policy and procedure manual the Fixed Asset Removal from Inventory Form, which SDH's departments use to request the removal of assets from SDH's inventory list. We requested all of the forms that were filled out and given to the assistant superintendent of Business and Administration during the audit period. There were 62 instances of asset disposals by SDH representing the entire population. We reviewed each form, identified the reason given for disposal, and determined whether a Chapter 647 report should have been filed with OSA.
- To determine whether SDH budgeting practices were sufficient to ensure that its state funding would cover its anticipated operational costs, we obtained and reviewed SDH state appropriation expenditure data from the state's Massachusetts Management Accounting and Reporting System (MMARS) for the audit period; we also obtained and reviewed spending plans developed by SDH for fiscal years 2016 and 2017 and interviewed key personnel involved with budgeting. We also conducted the following analysis of the current and prior fiscal years' appropriations:
 - We used expenditure data from MMARS to create tables for each appropriation that showed the subtotal of expenditures for each object code¹ and fiscal year. We used the budgets developed by SDH to determine whether the budgeted amounts were in line with actual spending for fiscal year 2016. We used the fiscal year 2017 budgets developed by SDH to create estimates for the spending through the end of the first quarter of fiscal year 2017 to compare to actual expenditures and identify deficient areas.
- To determine whether employee compensation and purchases of more than \$10,000 were proper, we reviewed the SDH policies and procedures related to procurement, payroll, and accounts payable. We also reviewed various collective bargaining agreements and interviewed key employees from the Administration and Business Department to gain a better understanding of the procedures in place at HSD. In addition, we conducted the following tests.
 - Using a nonstatistical sampling method and 15 randomly selected vendors out of a population of 93 vendors that had been paid \$10,000 or more from state appropriated funds during our audit period, we reviewed supporting documents (contracts, invoices, and purchase orders) provided by SDH for each vendor to determine the following:
 - whether the funds had been encumbered² and spent in accordance with the purpose of the appropriation

1. An object code is an identifier used in MMARS to show what an expense is for (e.g., object code A01 represents employee salaries).

2. Encumbrances are funds set aside from an organization's budget to pay for future items or services received.

- whether there was proof of receipt of the goods/services
- whether the procurement process had been followed
- whether proper approvals had been received before payment was made
- Using a nonstatistical sampling method, we randomly selected 40 employees from a population of 972 employees whose compensation was paid from state appropriated funds during the audit period. Our testing determined whether each employee was authorized to be placed on the payroll, the salary amount was approved, and the compensation rate agreed with the salary schedules and collective bargaining agreements.
- To determine whether SDH facilities were adequately secured, we toured the four facilities that housed inmates, observing each site's physical security features, and interviewed key employees who were responsible for security at SDH. We also reviewed Title 924.01 of the Code of Massachusetts Regulations, which governs the minimum physical security measures at county correctional facilities, and reviewed SDH policies and procedures for security and preventing prisoner escapes. We also performed the following procedures:
 - We verified that each of the four facilities met the minimum requirements of the regulation.
 - Using a nonstatistical sample and randomly selecting 30 days out of a population of 458 days, we tested the completeness, accuracy, and signoffs of daily key-count numbers of SDH's Western Massachusetts Correctional Addiction Center.
 - We estimated the staff-to-inmate ratio at SDH by dividing the SDH employee count by the total inmate count for the same period and compared that ratio to state and national staff-to-inmate ratios to determine whether SDH was in line with the state and national averages.

We applied a nonstatistical approach to all of our audit tests (vendors that were paid more than \$10,000, employees that were paid with state appropriated funding, and daily key-count numbers); therefore, the results of our tests cannot be projected to the entire population and only apply to the items selected.

During the audit, we used expenditure data processed through MMARS. We relied on OSA's most recent data reliability assessment of MMARS to determine that the data we used were sufficiently reliable for the purposes of this report.