

UPDATE: FINANCIAL OVERSIGHT OF SHERIFF'S OFFICE

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Items Covered



- Historic misspending “tail”
- Final budget adjustments for current year
- Auditor General Finding and County Response

Misspending Overview



- June 20, 2011 Board action accounted for \$99.5 million in misspent Detention and Inmate Services funds
- Period covered: January, 2004 – February, 2011
- With FY 2011 books now closed, were able to calculate misspending tail
 - March, 2011 – June, 2011

Total Misspending

	1/2004 – 2/2011	3/2011 – 6/2011	Total
Detention Fund	\$84,748,933	\$3,946,981	\$88,695,914
Inmate Services	14,743,225	272,034	15,015,259
Total	\$99,492,158	\$4,219,015	\$103,711,173

Corrected by Board
Action June, 2011

Amount Remaining to
be Corrected

Recommended Corrective Action: Misspending Tail

Budget Line	Adjustment
General Contingency	\$(4,219,015)
General Fund Transfer to Detention	3,946,981
Inmate Services State Contribution	272,034

- Monies deposited to the Detention Fund would become part of fund balance, unless Board appropriates for a specific need
- Monies deposited to the Inmate Services Fund would be used to partially offset the General Fund payment to the State
- All amounts are non-recurring (i.e., one-time)

Overview of Corrections to Current Budget



- Current budget was developed early in calendar year 2011
- Most MCSO positions were moved to the correct fund during the budget process
- Further review by MCSO and OMB identified additional adjustments:
 - 49 positions need to be moved from the Detention Fund
 - 9 positions need to be moved from the Inmate Services Fund

Recommended Strategy for Current Budget

- Adult Probation: transfer programs from the General Fund to the Detention Fund; adjust appropriations accordingly
 - Drug Court
 - Pre-Sentence Jail Screening
 - Work Furlough
 - Community Reintegration Unit
 - Garfield Transitional Living Center
- Adjust MCSO budget as required by position moves
- Balance with contingency funds

Recommended Corrective Action: Current Budget

General Fund	Adjustment
MCSO	\$3,164,376
Adult Probation	(3,692,000)
Contingency	527,624

Detention Fund	Adjustment
MCSO	(\$2,728,478)
Adult Probation	3,692,000
Contingency	(963,522)

- Adjustments will yield \$436k in Inmate Services Fund operating savings, which can be redirected to inmate programs in the future

Auditor General Finding – FY 2010



- **Finding:** County should ensure expenditures are charged to the proper funding source
- **Cause:** Sheriff's employees were transferred between law enforcement and detention assignments with no mechanism in place to track and correct the impact to expenditures

Auditor General Finding – FY 2010



- **Recommendations:**

- County should investigate and determine the financial impact and make appropriation corrections
- MCSO should develop procedures to ensure that payroll expenditures are charged to the correction funding source

- **Other observation:** County should monitor Sheriff's compliance with its procedures
- FY 2011 finding and recommendations expected to be very similar

Finding Response: MCSO



- Identified staff who will handle all internal transfers
- Developed written procedure on internal transfers with step-by-step guidelines
- Require full compliance with procedure prior to implementation of internal transfers
- Regular review of position assignments and funding

Finding Response:

County Administration

- Obtained access to electronic version of all MCSO timecards
- Beginning first pay period in November, will independently verify consistency between work assignment and funding source
 - ▣ All positions within Court Security and Inmate Transportation
 - ▣ Random sampling of all other positions
- Consulting with Internal Audit on process and sampling procedure
- July-November will also be reviewed

