



Office of

Nikki Alvarez-Sowles, Esq.

Pasco County Clerk & Comptroller

**BCC Pasco County Jail Transfer
Report No. 2022-04**

Department of Inspector General
January 20, 2023

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Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller

January 20, 2023

Michael J. Carballa
County Administrator
8731 Citizens Drive
New Port Richey, FL 34654

Re: Report No. 2022-04, Pasco County Jail Transfer

Dear Mr. Carballa:

The Clerk & Comptroller's Department of Inspector General (IG) partnered with an external auditing firm, Cherry Bekaert LLP, to conduct an engagement related to the transfer of the Pasco County Jail (Jail) from the Pasco Sheriff's Office to the Board of County Commissioners. The purpose of this engagement was to perform agreed-upon procedures related to the financials, assets, and liabilities transferring with the Jail on October 1, 2022. The engagement background, scope, methodology, and results are presented in this report. We appreciate the cooperation, professional courtesy, and responsiveness received from management during this engagement.

Respectfully Submitted,

Patrice M. McBride

Patrice Monaco-McBride, CIG, CIGA, CGFO, CPM
Inspector General/Chief Audit Executive

Cc: Nikki Alvarez-Sowles, Pasco County Clerk & Comptroller
Chris Nocco, Pasco County Sheriff
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Gary Bradford, County Commissioner, District 4
Jeffrey Steinsnyder, County Attorney
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EXECUTIVE SUMMARY

On October 1, 2022, the Pasco County Board of County Commissioners (County) assumed the financial and administrative responsibilities of operating and managing the Pasco County Jail (the Jail). The County, the Pasco Sheriff's Office (Sheriff's Office), and the Pasco County Clerk and Comptroller's Office (Clerk's Office) worked together to prepare for this transition. The Department of Inspector General (IG) partnered with an external audit firm, Cherry Bekaert LLP (the Firm), to provide an independent view on matters related to the transfer of the Jail's financials, assets, and liabilities. The Firm issued a report listing the specific procedures performed and the results. No significant variances were noted.

The IG appreciates the exceptional teamwork and professionalism extended by all parties involved during this engagement. Ultimately, this strong partnership facilitated the successful transfer of the Jail from the Sheriff's Office to the County.

Background Information

On April 6, 2022, the Pasco County Sheriff notified the County of the intent to transfer the Jail and all correctional operations from the Sheriff's Office to the County. To prepare for this transition, the County approved a budget amendment on April 19, 2022 for the Pasco County Clerk & Comptroller (Clerk) to contract with an external audit firm. The Clerk requested the IG to solicit and negotiate external services to increase workload capacity and expedite a final report. To establish a list of procedures to be performed for the transition, the IG collaborated with, and received input and approval from the County, the Sheriff's Office, and the Clerk's Financial Services Department. Discussions included decisions to prioritize, revise, add, or delete procedures. On May 25, 2022, a list of 33 procedures was distributed for review, and was agreed-upon by the County, the Sheriff's Office, and the Clerk's Financial Services Department. This finalized list was included for the solicitation of quotes from external audit firms.

On June 6, 2022, the Clerk's Office notified Cherry Bekaert LLP of its decision to accept their proposal to perform an Agreed-upon Procedures (AUP) engagement, which included all procedures on the finalized list. On June 24, 2022, an Engagement Letter was executed between the Clerk and the Firm.

On September 6, 2022, an Interlocal Agreement (ILA) was executed between the County and the Sheriff. The purpose of the ILA was to ensure an orderly transfer of responsibility for the Jail. In response to the terms of the ILA, the County created the Corrections Department under the Public Safety Branch and appointed a Chief Corrections Officer to oversee the Jail.

Scope and Methodology

The scope of this engagement included cash, capital and tangible assets, liabilities, and other obligations transferring with the Jail as of October 1, 2022. The methodology included, but was not limited to:

- Reviews of contracts, agreements, grants, and financial documentation including general ledger activity and the trial balance.
- Physical observations and counts of cash and various inventories at the Jail.

The IG served as the liaison between the County, the Sheriff’s Office, and the Firm to expedite document requests and coordinate onsite testing activities at the Jail. Cooperation, flexibility, and communication were paramount to accomplishing these tasks. To ensure timely completion of this engagement, the IG initiated biweekly progress meetings. Eleven (11) meetings were held between July 11, 2022 and December 1, 2022 with staff from the County, the Sheriff’s Office, the Clerk’s Finance Department, and the Firm in attendance. Discussion points included:

- Expectations and deadlines for requested documentation needed by the Firm to perform the agreed-upon procedures.
- Updates on the status of requested documentation.
- Clarification of data in financial reports and accounts.
- Input from management over Jail operations, County fiscal operations, and the Clerk’s IG and Finance departments.

The AUP engagement consisted of 33 procedures. The total number of items in the population dictated the number of items that were selected for testing to provide agreed-upon levels of assurance for these procedures.

Number of items in population	Higher assurance			Moderate assurance		
	<100	100-200	>200	<100	100-200	>200
Number of items to test	30	35	40	20	22	25

Relevant Authority

The following County resolutions and ILA were relevant to the objective of the engagement:

- **BCC Resolution No. 22-154** (approved June 7, 2022)
 This resolution constituted the notice of intent by the County to assume operation and control of the Pasco County Jail.
- **BCC Resolution No. 22-173** (approved July 12, 2022)
 This resolution established the transition date for the assumption of operational control of the Pasco County Jail effective October 1, 2022, created the Pasco County Corrections Department, and appointed a Chief Corrections Officer.
- **Interlocal Agreement between Pasco County and the Pasco Sheriff** (approved September 6, 2022)
 The purpose of the ILA was to ensure an orderly transfer of responsibility for the operations of the Jail and to further delineate the respective obligations and liabilities of each party. Pursuant to section 163.01, Florida Statutes, the parties entered the ILA to make the most efficient use of their powers by enabling them to provide services and facilities efficiently and effectively for the ultimate benefit of the citizens of Pasco County.

Results

Details of the findings are summarized in the results below. Certain account numbers were redacted from this report to safeguard the confidentiality of protected financial information.

Trial Balance

Trial Balance- No significant variances were noted.

Trial balances for the inmate welfare fund for September 30, 2022 and October 1, 2022 were provided for review. The balance amount of \$6,942,527.55 was reflected as a transfer to the BCC on the Sheriff's trial balance.

Cash/Checks/Bank/Investments

Undeposited Cash and Checks- No significant variances were noted.

All cash on hand was counted on October 3, 2022. The amounts in the drawers agreed to ledgers available on the day of the count. Bank reconciliations as of September 30, 2022 and October 31, 2022 for Truist account #XX720 were reviewed for clerical accuracy and the balance on September 30, 2022 agreed to the trial balance provided.

Undeposited Cash Bonds- No significant variances were noted.

All cash bonds on hand were counted on October 3, 2022. The amounts in the drawers agreed to ledgers available on the day of the count. However, the cash bonds are not held in a separate bank account so the balance could not be agreed to the trial balance.

Inmate Property- No significant variances were noted.

Inmate property and cash taken into custody with the inmate are not recorded in the general ledger, and therefore were not reflected on a trial balance. Reports as of October 1, 2022 from the Jail's Cobra Banker software system (Cobra Banker) were provided as the basis to test and verify inmate property and cash. On October 3, 2022, a sample of 20 inmates were selected, and property and cash were verified to the physical inventory. A second sample of 20 property hangers was selected and the cash/property items were traced back to the inmate property report.

Accounts Receivable- No significant variances were noted.

A detailed list of accounts receivable as of September 30, 2022 was compared to the trial balance. This included amounts due from other funds or entities. All 13 transactions were reviewed and agreed to the supporting documentation.

Medical Reserve Funds- No significant variances were noted.

No medical reserve funds transferred to the BCC. The appropriate accounts on the BCC trial balance were verified as zero balance.

Commissary Inventory- No significant variances were noted.

The Jail's Cobra Banker manages commissary ordering and funds availability. As a result, all commissary activity is collected, managed, and stored in the Cobra Banker system operated by the vendor. Commissary items are delivered in sealed bags and distributed to the inmate.

The value could not be compared to the trial balance because commissary inventory was not included in the trial balance.

Inmate Cash Account- No significant variances were noted.

The inmate cash account was not included in the trial balance. An inmate cash account detail report was not available because the system could not generate a historical report from a prior date. The bank reconciliation could not be agreed to the trial balance.

Cash & Investment Accounts- No significant variances were noted.

Bank reconciliations as of September 30, 2022 for Truist accounts (#XX720, XX690, #XX631) were reviewed and agreed to the trial balance. A sample of 20 transactions were reviewed and compared to the subsequent month for proper cut-off documentation.

Opening Account Balances- No significant variances were noted.

The opening balances on October 1, 2022 for Truist accounts agreed to closing amounts as of September 30, 2022. There were no funds on deposit on October 1, 2022 in accounts #XX690 and #XX631. Funds from account #XX720 were accurately transferred from the Sheriff's Office to the County.

Tangible/Capital Assets

Capital and Tangible Assets- No significant variances were noted.

On October 3, 2022, a list of transferring capital and tangible assets was provided by the Sheriff's Office. 44 items were selected to verify existence. This selection included all items with a cost of \$25,000 or more, and a sample of items with a cost below \$25,000. Two items were not observed during testing. However, the existence of one of the assets was later documented with a photograph of the asset. The second asset was disposed and was verified with documentation from the Jail reflecting the disposal. The items that were observed appeared to be in working condition. Capital and tangible assets were not included in the trial balance.

Assets Purchased with Grant Monies- No significant variances were noted.

There were no grant agreements for assets. Two active grant agreements transferred to the County and were reviewed. The agreements were for services only.

Armory Items- No significant variances were noted.

On October 3, 2022, a list of all armory items, as of September 30, 2022, was provided by the Sheriff's Office. 49 items were selected to verify existence. All 49 items were observed. Armory items were not included in the trial balance.

Warehouse & Storage Supplies- No significant variances were noted.

On October 3, 2022, lists of warehouse and storage supplies (sewing, barber, laundry, chemicals, etc.) as of September 30, 2022, were provided by the Sheriff's Office. 67 items were selected to verify existence. All 67 items were observed. Supplies were not included in the trial balance.

Leased Assets- No assets under an operating lease transferred from the Sheriff's Office to the County.

Liabilities

Accounts Payable- No significant variances were noted.

Reports reflecting accounts payable and accrued expenses as of September 30, 2022, were provided. All 13 transactions were selected for review and agreed to their supporting documentation.

Cash Disbursements- No significant variances were noted.

Documents needed to perform testing were requested to be received by December 4, 2022. A listing of cash disbursements from October 1, 2022 through November 15, 2022, and supporting documentation was provided by the County on December 8, 2022. Testing to verify proper cut-off was not conducted and was not verified.

Accruals and Garnishments- No significant variances were noted.

Items were paid prior to September 30, 2022 to ensure zero balance. The zero balance was agreed to the trial balance.

Compensated Absences- No significant variances were noted.

A report from the Sheriff's Office payroll system included detail of compensated absence balances that were transferred. The file could not be agreed to the trial balance because the amounts are not included in the trial balance.

Medical Bills- No significant variances were noted.

Liabilities for all medical services provided before October 1, 2022 remained with the Sheriff's Office and did not transfer to the County.

Procurement

Open Purchase Orders- No significant variances were noted.

As of September 30, 2022, all purchase orders were closed. As a result, there was a zero balance. The zero amount was agreed to the trial balance.

Debt/Bonds

Bonds- No significant variances were noted.

As of September 30, 2022, there were no bonds to transfer. As a result, there was a zero balance. The zero amount was agreed to the trial balance.

Notes Payable- No significant variances were noted.

As of September 30, 2022, there were no notes payable to transfer. As a result, there was a zero balance. The zero amount was agreed to the trial balance.

Loans and Lease Agreements- No significant variances were noted.

Loans and lease agreements did not transfer to the County. Amendments were executed to include the County as responsible party.

Contracts/Grants

Grant Reporting- No significant variances were noted.

A detail listing of grants specific to jail operations was reviewed. There were two active grants. The *Juvenile Assessment Center* grant in the amount of \$279,798.05 agreed with the grant file provided by the Sheriff's Office. The *Promising Re-Entry* grant reflected a total budget of \$25,000 and as of September 30, 2022, \$4,265.22 had been allocated towards this grant. Because the Schedule of Expenditures of Federal Awards (SEFA) was not finalized at the time of testing, verification of contract numbers could not be performed.

Memorandums of Understanding (MOUs)- No significant variances were noted.

MOUs did not transfer to the County. Amendments were executed to include the County as responsible party.

Mutual Aid Agreements- No significant variances were noted.

Mutual aid agreements did not transfer to the County. Amendments were executed to include the County as responsible party.

Grants & Trial Balance- No significant variances were noted.

Two grants were specifically related to jail operations, the *Juvenile Assessment Center* grant, and *Promising Re-Entry* grant. A zero amount of expenditures for both grants as of October 1, 2022 was verified to the trial balance.

Open/Outstanding Litigation

Open Litigation- Open litigation involving the Jail through September 30, 2022 remained the responsibility of the Sheriff's Office.

Civil Forfeiture Lawsuits- Civil forfeiture lawsuits involving the Jail through September 30, 2022 remained the responsibility of the Sheriff's Office.

Self-Insurance Accumulations- Self-insurance funds through September 30, 2022 remained the responsibility of the Sheriff's Office.

Human Resources

Open Health Insurance Claims- Health insurance claims through September 30, 2022 remained the responsibility of the Sheriff's Office.



For additional information contact the Communications Office.

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